Indian and Northern Affairs Canada

Affaires indiennes et du Nord Canada

Indian and Northern Affairs, Canadian Polar Commission and Canadian Northern Economic Development Agency

2009–2010 Estimates

Departmental Performance Report

Canada

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Minister's Message

On behalf of Indian and Northern Affairs Canada (INAC) and the Canadian Polar Commission, I am pleased to present the *2009–2010 Departmental Performance Report.*

This past year, the Government has focused on ensuring that Canada returns to economic growth. In this broader context, as the Speech from the Throne and Budget 2010 reinforced, our Government remains committed to building a stronger, healthier relationship with Aboriginal people and to realizing the vast potential of Canada's North. A special acceleration of these efforts came as a result of Canada's Economic Action Plan as the Government invested an additional $1.9 billion over two years in Aboriginal skills and training, economic development, housing and infrastructure, as well as in support of the Northern Strategy. This year's report speaks to the results these investments are achieving.

Over the past year, we have been busy working collaboratively with Aboriginal communities, the provinces and territories to put in place the necessary legislative foundation to make tangible progress in such priority areas as safe drinking water in First Nation communities, commercial real estate development on reserve land, matrimonial rights, gender discrimination in the *Indian Act* and modern treaties in British Columbia.

This report also speaks to how we are moving forward with the implementation of the Northern Strategy, including the progress in creating a world-class High Arctic Research Station and the improved science and research facilities thanks to the Arctic Research Infrastructure Fund. Furthermore, you will read about how we are actively reforming the northern regulatory regime to ensure the region's resource potential can be developed while protecting the environment. One key innovation this past year was the creation of the Canadian Northern Economic Development Agency (CanNor), the first ever regional development agency for the North and the only federal agency headquartered in the North.

Our efforts and results over the last year demonstrate that we are committed to ensuring that Aboriginal people and people living in the North fully share in emerging opportunities as Canada's economy strengthens.

John Duncan

Minister of Indian Affairs and
Northern Development,
Federal Interlocutor for Métis and
Non-Status Indians
and Minister of the Canadian Northern
Economic Development Agency

SECTION I
DEPARTMENTAL OVERVIEW

RAISON D'ÊTRE AND RESPONSIBILITIES

Indian and Northern Affairs Canada (INAC), including the Office of the Federal Interlocutor for Métis and Non-Status Indians (OFI), is the federal department primarily responsible for meeting the Government of Canada's obligations and commitments to Aboriginal peoples (First Nations, Inuit and Métis), and fulfilling the government's constitutionally mandated role in the North. To this end, INAC helps Canada's Aboriginal and northern peoples foster healthy and sustainable communities, and pursue economic and social development. More specifically, INAC works with 33 other federal departments and agencies in:

- promoting improved education for Aboriginal peoples;
- pursuing frameworks for effective governance and self-governance;
- helping to empower Aboriginal citizens and protect those who are most vulnerable;
- working to resolve outstanding land claims; and
- supporting sustainable economic development, which contributes to Aboriginal and northern employment and strengthens local communities.

These diverse and complex responsibilities flow from the department's central mandates: Indian and Inuit Affairs, the Office of the Federal Interlocutor for Métis and Non-Status Indians, and Northern Development.[1]

INDIAN AND INUIT AFFAIRS

INAC's overall mandate derives from the Canadian Constitution, the *Department of Indian Affairs and Northern Development Act*, other legislation and numerous regulations under the responsibility of the Minister of Indian Affairs and Northern Development, and treaties. Evolving jurisprudence continues to shape the department's mandate, policy decisions and program development.

INAC's responsibilities for Indian and Inuit Affairs include:

- negotiating land claim and self-government agreements with members of Aboriginal communities, and overseeing the implementation of settled claims on behalf of the federal government;
- facilitating economic development opportunities for Aboriginal individuals, communities and businesses;
- funding the delivery of services to Status Indians on reserves usually delivered by the provinces, such as education, housing, community infrastructure and social support;
- addressing and resolving issues that arise from the legacy of Indian residential schools;
- liaising effectively between the Government of Canada and Inuit communities, governments and organizations in the implementation of policies and the delivery of services; and

[1] For more information on the mandate, please see www.ainc-inac.gc.ca/ai/index-eng.asp.

- fulfilling duties prescribed by the *Indian Act,* including managing Indian reserve lands and financial resources belonging to First Nation communities, and approving or rejecting bylaws in First Nation communities.

THE OFFICE OF THE FEDERAL INTERLOCUTOR

INAC's Office of the Federal Interlocutor is the point of contact within the Government of Canada for Métis, Non-Status Indians and urban Aboriginal people.[1] Its responsibilities include delivering improved federal services to Aboriginal people who do not live on reserves. Through the Office, the department maintains and strengthens government relations with organizations representing these groups.

NORTHERN DEVELOPMENT

INAC has a direct role in the political and economic development of the territories, as well as significant resource, land and environmental management obligations.[2]

INAC's responsibilities for Northern Development include:

- promoting political and economic development in Yukon, the Northwest Territories and Nunavut;
- negotiating the transfer of federal responsibilities for land and resource management to the territorial governments;
- managing the resources, land and environment of the North in places where federal responsibilities have not been transferred to territorial governments;
- co-ordinating initiatives, for example, to manage contaminated sites or subsidize the delivery cost of nutritious perishable food; and
- advancing circumpolar interests, such as Canada's Arctic sovereignty, climate change adaptation and environmental protection, Canadian representation at circumpolar forums, and scientific research in, and understanding of, the North.

INAC is the lead federal organization for the Government of Canada's integrated Northern Strategy. The Strategy is founded on four equally important and mutually reinforcing priorities: exercising Canada's Arctic sovereignty; promoting social and economic development; protecting Canada's environmental heritage; and improving and devolving northern governance. In close partnership with other federal departments and agencies, INAC works to develop new initiatives for the North. With its well-established northern presence, INAC also provides ongoing oversight of the approved initiatives that it leads, as well as of initiatives led by its partners. The department is supporting implementation of the comprehensive Northern Strategy through such INAC-led initiatives as the Canadian High Arctic Research Station, which will contribute to Canada's capacity for sound decision-making for the Arctic.

[1] For more information about the OFI, please see www.ainc-inac.info/ai/ofi/index-eng.asp.

[2] For more information on INAC's role in the North, please see www.ainc-inac.gc.ca/nth/index-eng.asp.

On August 18, 2009, the Government of Canada created the Canadian Northern Economic Development Agency (CanNor) as a regional economic development agency for the North. As a result, programs under INAC's Northern Economy Program Activity were transferred to the new agency (see Program Activity Architecture below). CanNor is a partner in implementing the Northern Strategy and its performance information for 2009–2010 can be found under the Northern Economy Program Activity (see page 72 of this report).

The Canadian Polar Commission, for which the Minister of Indian Affairs and Northern Development is also responsible, supports polar research and strengthens Canada's international reputation as a leader among circumpolar nations. In addition to promoting knowledge of Canada's polar regions and their importance to the country, the Commission provides polar science policy direction to government.[1]

[1] For more information about the mandate of the Canadian Polar Commission, please see www.polarcom.gc.ca/content.php?doc=6

PROGRAM ACTIVITY ARCHITECTURE

The Program Activity Architecture shown below provides an overview of the department's strategic outcomes and supporting program activities.

When the Canadian Northern Economic Development Agency (CanNor) was established in August 2009, INAC transferred all programs under its Northern Economy Program Activity to CanNor. The Program Activity Architecture has not been modified to reflect this change for 2009–2010 but will be for 2010-2011. CanNor's performance information for 2009–2010 can be found under the Northern Economy Program Activity of this report (see page 72).

2009–2010

Indian and Northern Affairs Canada – Program Activity Architecture

PERFORMANCE SUMMARY

	2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (full-time equivalents)		
	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Indian and Northern Affairs Canada	7,336.8	7,915.1	7,439.5	4,805.4	5,186.5	381.1
Canadian Northern Economic Development Agency[a]	n/a	47.7	39.6	n/a	106	n/a
Canadian Polar Commission	1.0	1.0	1.0	5.0	5.0	0

[a] Order in Council P.C. 2009-1423 transferred from the Department of Indian Affairs and Northern Development to the Canadian Northern Economic Development Agency the control and supervision of the portion of the federal public administration in the Department of Indian Affairs and Northern Development known as the Northern Economic Development Branch, effective August 18, 2009. Actual spending of $39.6 million reflects expenditures for the period from August 18, 2009, to March 31, 2010. A reprofile request for the variance between Actual Spending and Total Authorities is pending.

The increase of 381.1 full-time equivalents (FTEs), from 4,805.4 planned to 5,186.5 actual FTEs, is partly due to new funding under the Supplementary Estimates for extra programming that was not part of the original planned amount.

EXPLANATION OF VARIANCES

Indian and Northern Affairs Canada

Variances between Main Estimates, Planned Spending, Total Authorities and Actual Spending are largely attributable to the timing of key elements of the fiscal cycle. The Main Estimates as approved by Parliament in the initial appropriations are the first step in the fiscal cycle.

The Planned Spending column includes Main Estimates ($6,934 million), plus the planned spending on those initiatives known when the Report on Plans and Priorities was prepared in the January/February timeframe of the preceding fiscal year. Specifically, the difference between Main Estimates and Planned Spending for 2009–2010 (approximately $403 million) largely consists of funding earmarked for the following initiatives:

- Canada's Economic Action Plan (i.e., investments in First Nation infrastructure and housing, Arctic research infrastructure, a new regional economic development agency for the North, the Strategic Investments in Northern Economic Development program, and First Nation child and family services);
- Budget 2008 announcements for a new framework for economic development;
- Federal Contaminated Sites Action Plan;
- Tsawwassen First Nation Final Agreement; and
- obligations under the Indian Residential Schools Settlement Agreement.

The Total Authorities represent Main Estimates plus Supplementary Estimates, plus adjustments to authorities approved by Treasury Board, such as the operating budget. Specifically, the difference between Planned Spending and Total Authorities for 2009–2010 (an increase of $578.3 million) is largely due to:

- funding provided in Supplementary Estimates for :
  - out-of-court settlements;
  - claims negotiations and settlements;
  - fuel price increases;
  - the Food Mail Program;
  - health and safety pressures, for example, from fires, floods and other emergencies;
  - the First Nation Infrastructure Fund;
  - the Federal Contaminated Sites Action Plan;
  - obligations under the Indian Residential Schools Settlement Agreement;
- the carry-forward from previous years of authorities for loans and guarantees of loans;
- operating budget carry-forward; and
- adjustments for collective bargaining.

These increases were partially offset by the transfer of funding to the Canadian Northern Economic Development Agency, as well as the deferral of some initiatives originally planned for (notably for water and wastewater projects, and projects under the Federal Contaminated Sites Action Plan). The deferred funds will be made available for their intended purposes in future years.

Actual Spending reflects spending activity during the fiscal year as per the Public Accounts of Canada. A number of factors contributed to the difference between Total Authorities and Actual Spending (a decrease of $475.6 million), including:

- the deferral of certain initiatives (notably the settlement of various specific claims,[1] as well as projects under the First Nation Infrastructure Fund and the Federal Contaminated Sites Action Plan);
- carry-forward of resources (e.g., operating budget carry-forward) from fiscal year 2009–2010 to 2010–2011, as well as authorities for loans and guarantees of loans that were not used in 2009–2010, but that will be available for use in subsequent years; and
- reduced requirements for the Food Mail Program.

Section II provides additional details by program activity.

[1] The deferral for specific claims in 2009–2010 was the result of delays outside INAC's control. When settlements are reached, settlement funds are transferred only after ratification by the First Nation(s) and then by the Minister. A number of specific claims were not ratified in time and one high-value claim was delayed by an action brought before the Court. In 2009–2010, INAC met its target to deliver 100% of planned spending for specific claims, paying a total of $19,572,081 to First Nations for all 12 specific claims that were ratified (for more details, see page 39).

STRATEGIC OUTCOME SUMMARY TABLE

Indian and Northern Affairs Canada

The Government Strategic Outcome: Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners

Performance Indicators	Targets	2009–2010 Performance
Scores on the income and labour force components of the Community Well-Being (CWB) Index[a] for First Nations and Inuit	Departmental target to be determined	CWB income scores in First Nation communities improved significantly from 1981 to 2001 before levelling off in the 2001–2006 period. Income scores in Inuit communities increased significantly in both the 1981–1991 and 2001–2006 periods. Moderate increases were observed over the two five-year periods in between. Although a one-point drop from 1981 to 1991 was observed in First Nation communities, CWB average scores for labour force activity have not changed much, particularly over the 1996–2006 period. Meanwhile, the average scores in Inuit communities improved steadily over the 1981–1996 period before levelling off from 1996 to 2006.[b]

Program Activity	2008–2009 Actual Spending[c]	2009–2010 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes[d]
Governance and Institutions of Government	619.1	632.7	641.2	656.7	654.8	A diverse society that promotes linguistic duality and social inclusion
Co-operative Relationships	210.7	267.5	270.5	228.2	207.6	A diverse society that promotes linguistic duality and social inclusion
Claims Settlements	627.8	815.6	828.0	1,068.1	754.5	Strong economic growth
Total	**1,457.6**	**1,715.8**	**1,739.7**	**1,953.0**	**1,617.0**	

Note: Due to rounding, figures may not add to totals shown.

[a] The labour force and income components of the CWB were selected as the performance indicator for the Government strategic outcome after the *2009–2010 Report on Plans and Priorities* was published.

[b] Trend analysis of CWB scores for 1981 to 2006 is available at http://www.ainc-inac.gc.ca/ai/arp/es/0910/dpr/cwbibc-eng.asp. For more information on the CWB index, please see www.ainc-inac.gc.ca/ai/rs/pubs/cwb/cwbdck-eng.asp.

[c] Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities. They are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

[d] For an explanation of the Government of Canada outcomes, please see www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

The People Strategic Outcome: Individual and family well-being for First Nations and Inuit

Performance Indicators	Targets	2009–2010 Performance
Scores on Community Well-Being (CWB) Index for First Nations and Inuit[a]	Departmental target to be determined[b]	First Nation and Inuit communities made significant progress in CWB from 1981 to 1996, reducing the gap in well-being relative to other Canadian communities. In the 2001–2006 period, however, there was little progress of the CWB of First Nation and Inuit communities.[c]

Program Activity	2008–2009 Actual Spending[d]	2009–2010 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes[e]
Education	1,666.1	1,705.6	1,705.2	1,741.1	1,738.5	A diverse society that promotes linguistic duality and social inclusion
Social Development	1,483.8	1,451.8	1,458.3	1,558.6	1,557.1	A diverse society that promotes linguistic duality and social inclusion
Managing Individual Affairs	22.1	30.2	30.2	27.9	27.7	A diverse society that promotes linguistic duality and social inclusion
Total	**3,172.0**	**3,187.6**	**3,193.7**	**3,327.6**	**3,323.3**	

Note: Due to rounding, figures may not add to totals shown.

[a] INAC decided to adopt CWB index as an indicator for the People strategic outcome and to drop the Aboriginal Human Development Index scores as a performance indicator after the *2009–2010 Report on Plans and Priorities* (RPP) was published.

[b] The target published in the 2009–2010 RPP to "reduce the difference between the CWB scores of Aboriginal communities and those of the general Canadian population" is currently being reviewed.

[c] Trend analysis of CWB scores for 1981 to 2006 is available at http://www.ainc-inac.gc.ca/ai/arp/es/0910/dpr/cwbibc-eng.asp. For more information on the CWB index, please see www.ainc-inac.gc.ca/ai/rs/pubs/cwb/cwbdck-eng.asp.

[d] Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

[e] For an explanation of the Government of Canada outcomes, please see www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

The Land Strategic Outcome: Sustainable management of lands, resources and environment by First Nations and Inuit

Performance Indicator	Target	2009–2010 Performance
Percentage of First Nation communities that apply sustainable land-use strategies	Conduct a review to identify baseline data on number of communities developing sustainable land management strategies[a]	A review is currently under way; the baseline data will not be available until its completion. To date, 141 of Canada's 584 First Nation communities with a land base have been identified as having developed or being in the process of developing tools to support sustainable land-use strategies.

Program Activity	2008–2009 Actual Spending[b]	2009–2010 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes[c]
Clarity of Title to Land and Resources	10.4	10.9	10.9	11.4	11.1	Strong economic growth
Responsible Federal Stewardship	105.6	57.9	76.0	135.7	126.9	A clean and healthy environment
First Nations Governance over Land, Resources and the Environment	14.2	25.5	25.2	15.7	15.7	Strong economic growth
Total	**130.2**	**94.4**	**112.2**	**162.9**	**153.7**	

Note: Due to rounding, figures may not add to totals shown.

[a] For improved clarity, this performance indicator has been reworded slightly compared with the *2009–2010 Report on Plans and Priorities*.

[b] Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

[c] For an explanation of the Government of Canada outcomes, please see www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

The Economy Strategic Outcome: Economic well-being and prosperity of First Nations, Inuit and Métis people

Performance Indicators	Targets	2009–2010 Performance
Employment, income, education and housing components of the Community Well-Being (CWB) Index for First Nations and Inuit	Departmental target to be determined[a]	First Nation and Inuit communities made significant progress in CWB from 1981 to 1996, reducing the gap in well-being relative to other Canadian communities. In the 2001–2006 period, however, there was little progress of the CWB of First Nation and Inuit communities.[b] Targets for Aboriginal business development and community investments were met in 2009–2010. Targets for infrastructure improvements have been set for 2010–2011 and a review of economic development programming is under way.

Program Activity	2008–2009 Actual Spending[c]	2009–2010 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes[d]
Individual and Community Business Development	189.8	45.6	45.6	59.5	58.4	Strong economic growth
Community Investment		122.2	172.2	170.1	88.9	Strong economic growth
Community Infrastructure	1,087.7	1,075.5	1,327.6	1,299.9	1,294.7	Strong economic growth
Total	**1,277.5**	**1,243.4**	**1,545.4**	**1,529.5**	**1,442.0**	

Note: Due to rounding, figures may not add to totals shown.

[a] The target of "a 25-percent decrease in the overall Well-Being Index gap between members of First Nation communities, Inuit and Métis peoples, and the general Canadian population" is currently being reviewed.

[b] Trend analysis of CWB scores for 1981 to 2006 is available at http://www.ainc-inac.gc.ca/ai/arp/es/0910/dpr/cwbibc-eng.asp. For more information on the CWB index, please see www.ainc-inac.gc.ca/ai/rs/pubs/cwb/cwbdck-eng.asp.

[c] Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

[d] For an explanation of the Government of Canada outcomes, please see www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

The North Strategic Outcome: The people of the North are self-reliant, healthy, skilled and live in prosperous communities

Performance Indicators	Targets	2009–2010 Performance
Employment rates for Aboriginal people and Northerners in Yukon, Northwest Territories and Nunavut	Yukon — from 70.7% in 2007–2008 to 71% by 2010–2011 Northwest Territories — from 72.7% in 2007–2008 to 70% by 2010–2011 Nunavut — 60.3% in 2007–2008 to 58% by 2010–2011 * The targets were set based on forecasted slow down of economic factors (eg. slow down in mining activity in NWT).	Employment rates in 2009-10 are lower than average when compared to 2007-08 for all three territories. This is mainly due to the combined effects of the global economic downturn and the previously forecasted slow down of economic factors. 2009-10: Yukon — 67.4% Northwest Territories — 65.6% Nunavut — 52.9%[a]

Program Activity	2008–2009 Actual Spending[b]	2009–2010 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes[c]
Northern Governance	7.6	22.0	22.0	17.1	16.8	A diverse society that promotes linguistic duality and social inclusion
Healthy Northern Communities	120.0	94.1	133.2	129.2	121.0	Healthy Canadians
Northern Land and Resources	158.7	176.0	169.8	224.9	222.0	A clean and healthy environment
Northern Economy[d]	23.8	1.9	22.0	15.1	1.9	Strong economic growth
Total	**310.1**	**294.1**	**347.0**	**386.2**	**361.7**	

Note: Due to rounding, figures may not add to totals shown.

[a] Performance results are based on a calculation of the monthly employment rates from Statistics Canada's Labour Force Survey conducted in Yukon and the Northwest Territories to reflect the average employment rates from April 2009 to March 2010. Nunavut data come from the Nunavut Bureau of Statistics. Before 2008, data was based on three-month moving averages of the 10 largest communities in Nunavut, while data from 2008 forward is the monthly employment rates for Nunavut as a whole.

[b] Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

[c] For an explanation of the Government of Canada outcomes, please see www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

[d] Performance results for the Canadian Northern Economic Development Agency are discussed in Section II under the Northern Economy Program Activity on page 72. Spending figures for the Agency are available on page 15.

Office of the Federal Interlocutor (OFI) Strategic Outcome: Improved socio-economic conditions of Métis, Non-Status Indians and urban Aboriginal people

Performance Indicators	Targets	2009–2010 Performance
Socio-economic conditions of Métis, Non-Status Indians and urban Aboriginal people	Between 2001 and 2011, increase of 2 percentage points for high school attainment, employment and average total income for urban Aboriginal people in Urban Aboriginal Strategy (UAS) designated cities[a]	OFI programs are progressing well with the majority of programs on target. OFI anticipates meeting the 2-percent increase by 2010-2011.

Program Activity	2008–2009 Actual Spending[b]	2009–2010 ($ millions)				
		Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes
Urban Aboriginal Strategy	40.3	13.3	13.3	16.6	16.6	Income security and employment for Canadians
Métis and Non-Status Indian Organizational Capacity Development		14.6	14.6	17.6	16.2	A diverse society that promotes linguistic duality and social inclusion
Métis Rights Management		11.9	12.1	8.5	8.0	A diverse society that promotes linguistic duality and social inclusion
Total	**40.3**	**39.8**	**40.0**	**42.8**	**40.8**	

Note: Due to rounding, figures may not add to totals shown.

[a] OFI is reviewing all of its performance indicators and they may be revised when the new Performance Measurement Framework is completed later this fiscal year. The UAS performance measurement areas — education, employment, income — remain valid and appropriate, but OFI may adopt more robust indicators, if they are available.

[b] Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

Program Activity	Internal Services Program Activity: An effective and responsibly managed and operated department positioned to achieve its strategic outcomes				
	2008–2009	2009–2010 ($ millions)			
	Actual Spending[a]	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	604.9	358.9	358.8	513.1	501.1
Total	**604.9**	**358.9**	**358.8**	**513.1**	**501.1**

[a] Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

Canadian Northern Economic Development Agency (CanNor)[a]

Program Activity	Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners					
	2008–2009	2009–2010 ($ millions)				
	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes[b]
Business Development	n/a	n/a	n/a	2.2	1.3	Strong economic growth
Community Development	n/a	n/a	n/a	35.3	33.1	Strong economic growth
Policy, Advocacy and Co-ordination	n/a	n/a	n/a	3.6	2.4	Strong economic growth[c]
Total	**n/a**	**n/a**	**n/a**	**41.2**	**36.8**	

Note: Due to rounding, figures may not add to totals shown.

[a] Order in Council P.C. 2009-1423 transferred from the Department of Indian Affairs and Northern Development to the Canadian Northern Economic Development Agency the control and supervision of the portion of the federal public administration in the Department of Indian Affairs and Northern Development known as the Northern Economic Development Branch, effective August 18, 2009. Actual spending of $39.6 million reflects expenditures for the period from August 18, 2009, to March 31, 2010. CanNor was created on August 18, 2009 and received a combination of funding from both INAC and CEAP. Because CanNor was created late in the second quarter of the year and had only 7 months to deliver 12 months of programming, there are no planned spending figures to report for the Agency. A reprofile request for the variance between the Total Authorities and Actual Spending is pending.

[b] For an explanation of the Government of Canada outcomes, please see www.tbs-sct.gc.ca/ppg-cpr/frame-cadre-eng.aspx.

[c] CanNor did not have a Program Activity Architecture (PAA) nor alignment to Government of Canada outcomes for 2009–2010. Therefore, the 2009–2010 program activities have been aligned to the same Government of Canada outcomes as the Northern Economy Program Activity for INAC's 2009–2010 PAA.

Performance results for the Canadian Northern Economic Development Agency are discussed in Section II under the Northern Economy Program Activity (see page 72.)

	CanNor Internal Services Program Activity				
	2008–2009	2009–2010 ($ millions)			
Program Activity	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	n/a	n/a	n/a	6.6	2.8
Total	**n/a**	**n/a**	**n/a**	**6.6**	**2.8**

Canadian Polar Commission

	Strategic Outcome: Increased canadian polar knowledge					
	2008–2009	2009–2010 ($ millions)				
Program Activity	Actual Spending[a]	Main Estimates	Planned Spending	Total Authorities	Actual Spending	Alignment to Government of Canada Outcomes
Research Facilitation and Communication	0.7	0.8	0.8	0.8	0.7	A clean and healthy environment
Total	**0.7**	**0.8**	**0.8**	**0.8**	**0.7**	

Starting in the 2009–2010 Estimates cycle, the resources for the Internal Services program activity are displayed separately from other program activities; they are no longer distributed among the remaining program activities, as was the case in previous Main Estimates. This has affected the comparability of spending and FTE information by program activity between one fiscal year and another. For this table, the 2008–2009 actuals have been adjusted from what was published in the Departmental Performance Report to show Internal Services as a separate program activity to provide comparable figures for the 2009–2010 financial information.

	Canadian Polar Commission Internal Services Program Activity				
	2008–2009	2009–2010 ($ millions)			
Program Activity	Actual Spending	Main Estimates	Planned Spending	Total Authorities	Actual Spending
Internal Services	0.3	0.2	0.2	0.2	0.3
Total	**0.3**	**0.2**	**0.2**	**0.2**	**0.3**

CONTRIBUTIONS OF PRIORITIES TO STRATEGIC OUTCOMES

In its *2009–2010 Report on Plans and Priorities*,[1] INAC identified five priority areas:

- education – improving education outcomes;
- reconciliation, governance and self-government – strengthening Canada's relationship with Aboriginal peoples;
- economic development – improving economic well-being, prosperity and self-reliance;
- empowering citizens and protecting the vulnerable – contributing to better health outcomes and safer communities; and
- resolution of land claims – addressing, resolving and implementing claims.

The following methodology has been used to determine the status of each priority, based on INAC's progress against plans set out in the *2009–2010 Report on Plans and Priorities*:

- exceeded: above 100% of expectations,
- met all: 100% of expectation,
- mostly met: 80–99% of expectations,
- somewhat met: 60–79% of expectations,
- not met: below 60% of expectations.

A sixth operational priority was added when the Northern Strategy priority was formally announced in July 2009. INAC also committed to a management priority to improve its management practices. Progress made in 2009–2010 on these seven priorities is detailed in the following table.

Operational Priorities

Priority	Type	Status	Progress Made and Linkage to Strategic Outcome
Education Improving education outcomes	**Ongoing**	**Somewhat met**	**The People Strategic Outcome (Education Program Activity)** INAC remains committed to improving education outcomes for Aboriginal learners through partnerships. These partnerships are important because they are helping partners share expertise, develop joint plans, and ensure that students can move between band-operated and public schools without academic penalty. Action on this priority is building the foundation for structural reform to improve First Nation students' educational outcomes. In 2009–2010, INAC: • provided $25.5 million for the first round of the First Nation Student Success Program (FNSSP) to help First Nation schools develop success plans, conduct learning assessments and evolve performance measurement systems, and launched the second round of the FNSSP; • provided $4.4 million for the first round of the Canada-wide Education Partnerships Program (EPP), for the development of tripartite partnerships with First Nation communities and provinces, and launched the second round of the EPP; • established tripartite education partnerships in Manitoba (October 2009) and Alberta (February 2010), supported in the case of Manitoba by approximately $1.4 million invested for joint activities in the areas of early childhood learning, virtual schools, shared professional development, and student transition protocols. • co-signed the Inuit Education Accord with the Inuit Tapiriit Kanatami; and • made investments in education infrastructure.

[1] For the *2009–2010 Report on Plans and Priorities*, please see www.tbs-sct.gc.ca/rpp/2009-2010/inst/ian/ian00-eng.asp.

Operational Priorities

Priority	Type	Status	Progress Made and Linkage to Strategic Outcome
Reconciliation, governance and self-government Strengthening Canada's Relationship with Aboriginal peoples	**Ongoing**	**Overall: Somewhat met** **Strengthening Canada's Relationship with Aboriginal peoples: Mostly met**	**The Government Strategic Outcome** INAC remains committed to a new relationship with Aboriginal peoples based on respectful partnerships, reconciliation and healing. Examples of this new relationship in 2009–2010 include: • the unprecedented level of Aboriginal participation at the Vancouver 2010 Olympic and Paralympic Games; • the Common Experience Payments ($1.6 billion) and Independent Assessment Process payments ($571.7 million) provided to former students of residential schools; and • INAC's collaboration with the Truth and Reconciliation Commission for its first national event.
		Strengthening Aboriginal governance and self-government: Mostly met	**The Government Strategic Outcome** INAC remains committed to strengthening Aboriginal governance and self-government by advancing negotiations and reaching settlement agreements (please see the Government strategic outcome on page 33 for related accomplishments.)
		Northern Governance: Somewhat met	**The North Strategic Outcome (Northern Governance Program Activity)** In the North, INAC continued its efforts related to devolution of typically provincial responsibilities (e.g., land, natural resources), including: • re-engaged with the Government of the Northwest Territories and regional Aboriginal groups on devolution agreement-in-principle discussions; and • continued to meet with Government of Nunavut and Nunavut Tunngavik Inc. for exploratory discussions on challenges and opportunities associated with devolution, such as capacity challenges in the territory, including within government operations.
Economic Development Improve economic well-being, prosperity and self-reliance	**Ongoing**	**Mostly met**	**The Economy Strategic Outcome** INAC is committed to fostering the conditions and developing the tools required to help Aboriginal people and their communities attain economic well-being, prosperity and self-reliance. In June 2009, INAC announced the launch of the new Federal Framework for Aboriginal Economic Development, the government's new results-oriented approach to enable Aboriginal people in Canada to enjoy the same opportunities for employment, income and wealth creation as other Canadians.[1] The department began developing a new suite of programs to align with the framework's priorities. Under Canada's Economic Action Plan, INAC spent $301.2 million. Investments amounting to $225.6 million supported the creation of Aboriginal jobs and procurement opportunities for Aboriginal business. These investments dovetailed with other priorities. For example, First Nation workers devoted 64,280 hours to water and wastewater projects in 2009–2010.

[1] For the Federal Framework on Aboriginal Economic Development, please see www.ainc-inac.gc.ca/ecd/ffaed1-eng.asp.

Operational Priorities

Priority	Type	Status	Progress Made and Linkage to Strategic Outcome
Empowering citizens and protecting the vulnerable Contributing to better health outcomes and safer communities	**Ongoing**	**Somewhat met**	**The People Strategic Outcome** (Social Development Program Activity) Those in greatest need are served through INAC initiatives such as the provision of child and family services, improved housing, and greater access to health programs and to safe drinking water. **The Economy Strategic Outcome** (Community Infrastructure Program Activity) This year, INAC renewed the First Nations Water and Wastewater Action Plan and developed a legislative framework for drinking water and wastewater in First Nation communities. **Internal Services** The department also introduced legislation to support matrimonial real property rights on reserves.[1]
Resolution of land claims Addressing, resolving and implementing claims	**Ongoing**	**Mostly Met**	**The Government Strategic Outcome** Resolving land claims creates certainty, clarity and predictability over the ownership and use of land and resources within a settlement region. INAC made some progress in addressing 141 land claims in 2009–2010 and marked some notable successes, including: • the enactment of the Tsawwassen First Nation Final Agreement, which took effect on April 3, 2009, as planned; • the March 2010 ratification of the Eeyou Marine Region Land Claims Agreement by the Crees of Eeyou Istchee; • the initialling of the Yale Final Agreement by Canada, British Columbia and the Yale First Nation to launch the ratification process; • the announcement of a forum to address the overlapping claims for the Quebec and Labrador Innu; and • the signing of two agreements by Canada, the Algonquins of Ontario and the Province of Ontario to facilitate modern-day treaties.

[1] For more information, please see www.ainc-inac.gc.ca/ai/mr/nr/m-a2006/02766bka-eng.asp.

Operational Priorities

Priority	Type	Status	Progress Made and Linkage to Strategic Outcome
Northern Development (new priority) Including ongoing leadership of the government's integrated Northern Strategy, formally announced in July 2009	**Ongoing**	**Exceeded**	**The North Strategic Outcome** INAC works to balance support for the North's economic potential with sustainable development and environmental protection. During 2009–2010, INAC moved forward on legislation, including: • the development of Bill C-25, to introduce the *Nunavut Planning and Project Assessment Act* in the House of Commons; • the undertaking of a tripartite review of the *Yukon Environmental and Socio-economic Assessment Act*; • the development of water regulations for Nunavut; and • amendments to the *Mackenzie Valley Resource Management Act Regulations*. To further strengthen and diversify the economies of the three territories, the government renewed the Strategic Investments in Northern Economic Development program. Each territory established investment plans for the renewed program and are now implementing them. INAC assisted the Canadian Northern Economic Development Agency (CanNor) to set up the Northern Project Management Office. The office acts as a hub for stakeholders in northern development, a direct response to recommendation 18 of Neil McCrank's report, *Road to Improvement*, which proposed a project office for the North as a single point of entry.[1]

Management Priority

Improvement of INAC's management practices and organizational capacity	**Ongoing**	**Met**	**Internal Services** The following commitments are reported on under the Internal Services program activity in Section II: • advance human resources development by emphasizing recruitment and further expanding the Centre for Integrity, Values and Conflict Resolution; • strengthen information and resource management in direct support of strategic outcome planning and enhanced stewardship of resources; and • focus on communications activities that raise public awareness about Aboriginal and northern realities and opportunities.

[1] For Neil McCrank's report, please see www.reviewboard.ca/upload/ref_library/1217612729_ri08-eng.pdf.

EMPHASIS ON PARTNERSHIPS

For more effective partnerships, INAC continued to work closely with Inuit organizations to ensure their key concerns and priorities are considered in the development of federal policies. Successes in 2009–2010 included:

- the signing of an Inuit Education Accord,[1] bringing together federal, provincial, territorial and Inuit representatives to develop an Inuit education strategy for improving educational outcomes for Inuit students;
- the inclusion of CanNor in the National Economic Development Committee for Inuit Nunangat;[2]
- research initiatives pursued through the Inuit Relations Secretariat, including the Inuit Knowledge Project, which gives Inuit organizations and researchers online access to an electronic library of Inuit-related research; and
- the updating of the Aboriginal Canada Portal's Aboriginal Funding Tool,[12] which lists federal programs available to Inuit and all Aboriginal peoples.

FOCUS ON SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL STEWARDSHIP

Aboriginal people and Northerners have a fundamental relationship with the land and its resources. INAC's efforts in protecting and preserving Canada's natural heritage included:

- investing over $35 million in assessing and remediating contaminated sites on reserves, under the Federal Contaminated Sites Action Plan and the Accelerating Action on Federal Contaminated Sites component of Canada's Economic Action Plan;
- updating the Federal Contaminated Sites Inventory and completing the three-year Contaminated Sites Management Program Strategy and Program Review to improve administration and program efficiency;
- improving access to safe drinking water through continued partnerships with First Nations via the renewed First Nations Water and Wastewater Action Plan, and developing a legislative framework with Health Canada for drinking water and wastewater in First Nation communities; and
- registering 630 completed environmental assessment screenings in the Canadian Environmental Assessment Registry and reporting 599 others in progress. (The Registry helps the public find information and records related to current environmental assessments conducted under the *Canadian Environmental Assessment Act*. It also provides timely notice regarding the start of an environmental assessment and opportunities for public participation.)

[1] For information on the signing of the Inuit Education Accord, please see www.ainc-inac.gc.ca/ai/mr/nr/j-a2009/nr000000271-eng.asp.

[2] The National Economic Development Committee for Inuit Nunangat is a joint federal–Inuit committee established to collaboratively manage economic development policy and program development and implementation.

[3] For the Aboriginal Funding Tool, please see www.aboriginalcanada.gc.ca/acp/site.nsf/eng/funding.html.

RISKS, ISSUES AND CHALLENGES

INAC faces many challenges and opportunities as it strives to deliver on its mandate and contribute to the Government of Canada's strategic outcomes. The department's legal and operating environments are complex and continually evolving. It delivers or funds programs and services to diverse groups of people (First Nations, Inuit, Métis and Northerners) who have varied and distinct priorities and needs, and who live in a vast range of communities throughout the country — from remote settlements with extreme climates to metropolitan urban areas. Most of INAC's services are delivered through partnerships with Aboriginal communities, the provinces and territories, Aboriginal organizations, and organizations in the North. INAC's success is therefore highly dependent on strong and productive relationships and partnerships.

In the North, INAC's operating environment is marked by rapidly increasing opportunity. Past achievements in the areas of comprehensive claims, resource development, devolution and scientific advances have opened the way for exceptional new growth. It is in this context that the Government of Canada announced its Northern Strategy, with four primary objectives: exercising Canada's Arctic sovereignty; promoting economic and social development; protecting Canada's environmental heritage; and improving and devolving northern governance.

INAC's responsibilities are shaped not just by unique demographic and geographic challenges,[1] but also by centuries of Canadian history. At the same time, the nation's chan ging social, economic and political landscape strongly influences INAC's priorities, performance and delivery of services. A major factor in Canada's changing demographic landscape is the increasing Aboriginal population, which is young and growing at twice the rate of the Canadian population overall. While this growth brings the challenge of ever-increasing demands for services — Aboriginal people in Canada continue to have lower levels of education, poorer health and quality of life, and higher levels of unemployment than Canadians overall — it also presents an unprecedented opportunity for capable, educated Aboriginal youth to fill crucial labour shortages in the future. In addition, the department requires an integrated set of plans, policies and programs in order to foster and build on the economic advances resulting from the increasing employment opportunities and wealth being created by Aboriginal businesses and communities.

Supreme Court and other court rulings on Aboriginal and treaty rights also continue to have a major impact on INAC's mandate and the way the department works to fulfil the Crown's legal obligations. Canada's historical relationship with Aboriginal peoples and the ongoing refinement of constitutional concepts and questions adds to the complexity of litigation and exposes the Government of Canada to landmark court decisions and significant financial liabilities.

[1] For a profile of Canada's Aboriginal population, please see www.ainc-inac.gc.ca/ai/arp/es/0809/dpr/dem-eng.asp.

To achieve its expected results, the department must effectively manage these risks. Since 2006, INAC has been focusing on management practices that foster and reinforce a culture of accountable decision-making. As a priority, the department is putting in place a program to integrate comprehensive and consistent risk analysis into decision-making and oversight at all levels of the department. With senior management's guidance, the program will establish a unified approach to risk mitigation and monitoring that facilitates the sharing of risk information.

Over the past two years, the personal involvement of the Deputy Minister, Associate Deputy Minister, Risk Champion (Senior ADM — Regional Operations) and Chief Risk Officer has helped the entire department rapidly adopt integrated risk management. The INAC Risk Management Framework and Corporate Risk Profile are up to date. After the Departmental Operations Committee and Senior Executive Committee reviewed the framework and profile, the Deputy Minister approved them in September 2009. For 2009–2010, INAC integrated risk into the corporate priority setting, operational plans, and numerous decision-making processes. Major projects now have an increased emphasis on using risk information.

Given the varied nature of INAC's programming and services, the department must also maintain many unique skill-sets and expertise and a representative and culturally sensitive workforce. More than 60 percent of the department's spending is committed to giving First Nations access to provincial-type services, including education, social services and community infrastructure. As a result, one of INAC's most significant challenges and risks relates to attracting, recruiting, developing and retaining qualified, experienced and representative employees in a timely manner. The department has developed and is implementing an Integrated Human Resources Management Strategy and Plan to address human resources challenges proactively. To complement these efforts, the regions and sectors develop and implement their respective human resources plans, monitor results and report quarterly to senior management.

Another challenge relates to service delivery. Many of INAC's services are delivered by independent, community-based service providers that have differing levels of capacity to carry out the department's mandate effectively. The third-party nature of this service delivery presents inherent challenges for results reporting and performance measurement. INAC relies on access to timely, pertinent and accurate information to support planning, resource allocation and programming decisions, as well as to fulfil its accountability obligations. To mitigate the risk of inadequate information being available for decision-making, INAC is better defining the expected results of its programs and is improving data collection processes and systems.

Of the eight corporate risks identified in the *2009–2010 Report on Plans and Priorities*, the information for decision-making, program alignment, legal and implementation risks materialized. The first two risks require continuous vigilance by the department, but some legal and implementation risks required specific action on their mitigation. For example:

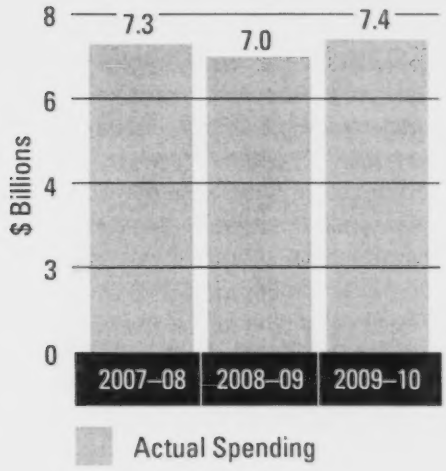
- Legal risk: On April 6, 2009, the Court of Appeal for British Columbia ruled in the case of *McIvor v. Canada* that certain registration provisions of the *Indian Act* are unconstitutional because they discriminate between men and women with respect to registration as Status Indians. To comply with the Court's decision, on March 11, 2010, the Government of Canada introduced Bill C-3, Gender Equity in *Indian Registration Act*, to respond to the Court's decision by enhancing gender equity in the *Indian Act*.[1]

- Implementation risk: i) In September 2009, INAC suspended the application process for the Secure Certificate of Indian Status program because of technical issues. INAC worked with independent assessors to ensure the security and reliability of the technological and processing components of the certificate. INAC is phasing in the new application process that was developed. ii) In 2009-2010, the Policy on Transfer Payments (PTP) completed its first year of a two-year implementation plan. Several targets originally had deadlines ending March 31, 2010, but three of six streams fell slightly behind. The risk was based on uncertainty about whether First Nation communities would accept the new model agreement, assessment tools, default prevention and management policy. To mitigate this, the department arranged for significant engagement directly with First Nations and First Nation organizations. INAC will continue to work with partner departments to develop a consistent approach and a final product that will meet all parties' needs.

[1] For more information on the *McIvor* decision, please see www.ainc-inac.gc.ca/br/is/vor-eng.asp.

EXPENDITURE PROFILE

Three-Year Spending Trend



INAC's Actual Spending for 2009–2010 was $7.4 billion. Overall, departmental spending has increased by about $0.1 billion or 2 percent over the past two years. This net increase is primarily due to the following major items:

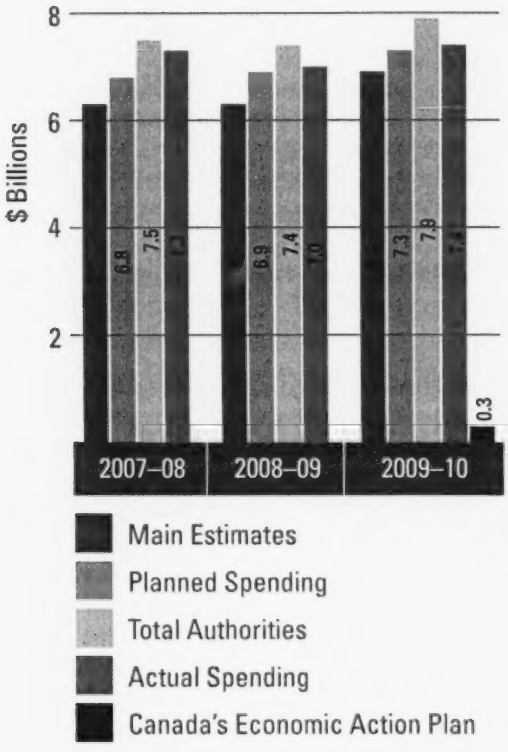
- transfer to INAC of responsibility for the Office of Indian Residential Schools Resolution of Canada;
- incremental funding through Canada's Economic Action Plan for First Nation housing, infrastructure, and child and family services; Arctic research infrastructure; remediation of contaminated sites both on reserves and across several northern areas; and promoting energy development in the North;
- incremental funding provided in Budget 2008 for education, child and family services, water and wastewater systems, and economic development;
- incremental funding to meet the demand for ongoing First Nation and Inuit programs and services (2-percent allowance for inflation and population growth); and
- incremental funding provided for the First Nation Infrastructure Fund (Budget 2003, Budget 2007).

These increases were partly offset by spending reductions arising from:

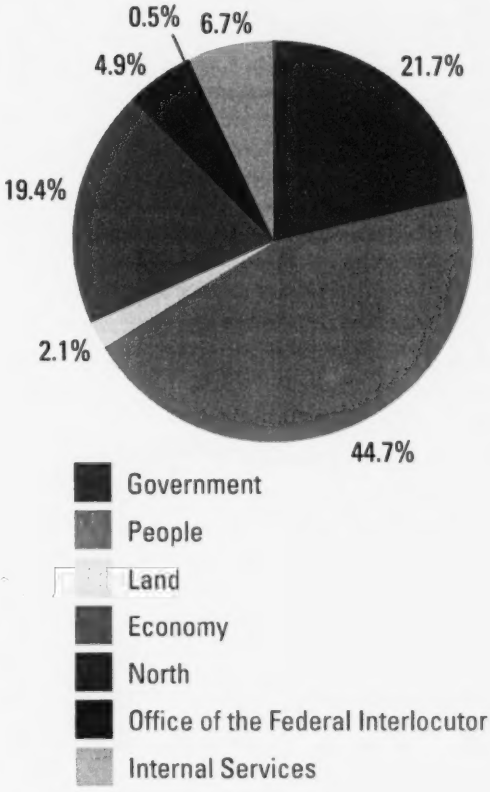
- a one-time payment to the Quebec Cree in 2008–2009 to settle implementation issues respecting the James Bay and Northern Quebec Agreement and related litigation; and
- the expiration of Budget 2003 funding for the First Nations Water Management Strategy.

The following spending trend graph illustrates the department's Main Estimates, Planned Spending, Total Authorities and Actual Spending for the last three years of actuals, as well as spending for Canada's Economic Action Plan.

Spending Trend



Percentage of Actual Spending by Strategic Outcome for 2009–2010



Note: Actual Spending of $7.4 billion in 2009–2010 includes Canada's Economic Action Plan spending of $0.3 billion.

See Performance Summary section (page 7) for an explanation of variances between Main Estimates, Planned Spending, Total Authorities and Actual Spending.

CANADA'S ECONOMIC ACTION PLAN (CEAP)

	2009–2010 Planned Spending[a]	2009–2010 Actual Spending
	($ millions)	
Indian and Northern Affairs Canada[a]		
Water and Wastewater Systems	82.5	68.6[b]
Housing	75.0	75.0
Schools	95.0	81.8[c]
Arctic Research Infrastructure	35.0	30.1
High Arctic Research Station Feasibility	1.0	1.1
First Nations Child and Family Services	7.0	4.0[d]
Accelerating Action on Contaminated Sites — South of 60th Parallel	–	15.8
Accelerating Action on Contaminated Sites — North of 60th Parallel	–	11.1
Promoting Energy Development in the North	–	13.7
Sub-Total (Indian and Northern Affairs Canada)	**295.5**	**301.2**
Canadian Northern Economic Development Agency (CanNor)		
Recreational Infrastructure Canada Program	n/a	0.4
Community Adjustment Fund	n/a	14.0
Strengthening Economic Development in the North[e]	n/a	3.4
Strategic Investments in Northern Economic Development[e]	n/a	7.9
Sub-Total (CanNor)	**n/a**	**25.7**
Total	**295.5**	**326.9**

[a] Reflects Planned Spending in INAC's *2009–2010 Report on Plans and Priorities*, excluding $20 million set aside for CanNor. Moreover, Planned Spending in the Report on Plans and Priorities did not include funding for contaminated sites or energy development in the North as INAC did not have these details at the departmental level when the report was being prepared. CanNor was created on August 18, 2009 and received CEAP funding through the *Budget Implementation Act*, resulting in funding transfers from INAC and new funding authorities. These CEAP authorities included funding for contributions, statutory amounts, and activities for establishing CanNor and its offices. CanNor was created late in the second quarter of the year. Consequently, there are no planned spending figures to report for the Agency. CEAP authorities for 2009-10 amount to $35.4 million. CanNor had only seven months to deliver 12 months of programming, so actual expenditures amount to $25.7 million. The reprofile request for the outstanding variance of $9.7 million is pending approval.

[b] $13.5 million was reprofiled to 2010–2011. A further request to reprofile $0.4 million to 2010–2011 is pending approval. All CEAP targets for 2009–2010 were met. For more details, please see page 85.

[c] The remaining $13.2 million was re-profiled to water and wastewater projects in 2010–2011. All CEAP targets for 2009–2010 were met. For more details, please see page 85.

[d] Funding provided through CEAP for the Information System is not available until Treasury Board approves the Preliminary Project Approval (PPA). The PPA process did not allow for INAC to go before Treasury Board in 2009–2010, which resulted in the department requesting and receiving approval to reprofile $3.0 million to future years. INAC will be seeking approval from the Treasury Board on the PPA in September 2010.

[e] CEAP funding of $20.0 million ($10.0 million for Strengthening Economic Development in the North and $10.0 million for Strategic Investments in Northern Economic Development) was included in Planned Spending in INAC's 2009-2010 Report on Plans and Priorities as CanNor did not exist when the report was being prepared.

Canada's Economic Action Plan is a $62-billion initiative to create and maintain jobs, and stimulate the economy. The majority of the Plan's investments are designated for 2009–2010 and 2010–2011, including $1.9 billion in investments for programming specifically for Aboriginal people. These investments support the Prime Minister's commitment to promote greater participation by Aboriginal men and women in the economy and to address specific opportunities and the challenges they face. Programs include skills and training, health, child and family services, housing, education, police facilities, and water and wastewater systems. For further details by initiative, please see page 84.

INAC is responsible for a number of initiatives under Canada's Economic Action Plan, including funding the construction and renovation of First Nation schools and water and wastewater facilities on reserves; the remediation of contaminated sites both on reserves and across the North; and the upgrade and development of research infrastructure through the Arctic Research Infrastructure Fund and the feasibility study for the Canadian High Arctic Research Station. The department is also working alongside Canada Mortgage and Housing Corporation, undertaking complementary housing activities such as lot servicing, creating new high-density developments, renovating existing housing units and assisting in the transition of band-owned units to market-based units.

CanNor delivered two key programs this year under Canada's Economic Action Plan. The first is the Recreational Infrastructure Canada Program (RInC), which aims to mitigate the impacts of the economic downturn on communities by supporting the development and improvement of recreational infrastructure. The second is the Community Adjustment Fund (CAF), a stimulus program focusing on short-term job creation in communities. The government allocated $31.0 million to CanNor for CAF and $1.7 million for RInC — both over two years. CanNor supported 19 RInC projects and 25 CAF projects in the North.

In 2009–2010, in collaboration with several other departments, INAC produced four consecutive progress reports to provide an overview of Aboriginal and northern projects under Canada's Economic Action Plan. They are available to all Canadians online.[1]

[1] For the progress reports on Aboriginal and northern projects, please see www.ainc-inac.gc.ca/ai/arp/bg09/index-eng.asp#rpts.

VOTED AND STATUTORY ITEMS

Vote # or Statutory Items (s)	Truncated Vote or Statutory Wording	2007–2008 Actual Spending	2008–2009 Actual Spending	2009–2010 Main Estimates	2009–2010 Actual Spending
	Indian and Northern Affairs Canada ($ millions)				
1	Operating expenditures	671.4	1,108.4	937.7	1,225.4
5	Capital expenditures	0.8	0.8	44.4	0.3
10	Grants and contributions	6,330.8	5,571.8	5,657.9	5,802.3
15	Payments to Canada Post Corporation	44.0	56.1	27.6	58.3
20	Office of the Federal Interlocutor for Métis and Non-Status Indians — Operating expenditures	7.5	9.3	9.0	8.4
25	Office of the Federal Interlocutor for Métis and Non-Status Indians — Contributions	27.1	30.3	29.9	31.4
(S)	Contributions to employee benefit plans	52.1	55.7	61.1	70.0
(S)	Minister of Indian Affairs and Northern Development — Salary and motorcar allowance	0.1	0.1	0.1	0.1
(S)	Grassy Narrows and Islington Bands Mercury Disability Board	–	–	–	–
(S)	Liabilities in respect of loan guarantees made to Indians for Housing and Economic Development	0.1	1.3	2.0	1.9
(S)	Indian Annuities Treaty payments	1.4	1.9	1.4	2.2
(S)	Transfer payments in connection with First Nations infrastructure for on-reserve housing *(Budget Implementation Act, 2009)*	–	–	–	75.0
(S)	Grants to Aboriginal organizations designated to receive claim settlement payments pursuant to Comprehensive Land Claims Settlement Acts	89.0	54.0	65.5	60.6
(S)	Grant to the Nunatsiavut Government for the implementation of the Labrador Inuit Land Claims Agreement pursuant to the *Labrador Inuit Land Claims Agreement Act*	39.0	39.0	18.0	36.8

Vote # or Statutory Items (s)	Truncated Vote or Statutory Wording	2007–2008 Actual Spending	2008–2009 Actual Spending	2009–2010 Main Estimates	2009–2010 Actual Spending
Indian and Northern Affairs Canada ($ millions)					
(S)	Payments to comprehensive claim beneficiaries in compensation for resource royalties	3.3	7.4	1.5	6.0
(S)	Payment from the Consolidated Revenue Fund of guaranteed loans issued out of the Indian economic development account	–	–	–	–
(S)	Court awards	0.3	2.3	–	1.0
(S)	Refunds of amounts credited to revenues in previous years	0.4	0.6	–	1.1
(S)	Spending of proceeds from the disposal of surplus Crown assets	1.3	0.2	–	0.1
Total budgetary		**7,268.7**	**6,938.9**	**6,856.1**	**7,380.7**
L20	Loans and guarantees of loans through the Indian economic development account	–	–	–	–
L30	Loans to native claimants	27.1	26.1	47.4	32.7
L35	Loans to First Nations in British Columbia for supporting their participation in the British Columbia Treaty Commission Process	26.0	27.7	30.4	26.1
Total non-budgetary		53.1	53.8	77.8	58.8
Total Department		**7,321.8**	**6,992.7**	**6,933.9**	**7,439.5**
Canadian Northern Economic Development Agency					
37	Operating expenditures	n/a	n/a	n/a	7.1
39	Contributions	n/a	n/a	n/a	17.9
(S)	Community Adjustment Fund	n/a	n/a	n/a	14.0
(S)	Contributions to employee benefit plans	n/a	n/a	n/a	0.7
Total Agency		**n/a**	**n/a**	**n/a**	**39.6**
Canadian Polar Commission					
40	Program expenditures	0.9	0.9	0.9	0.9
(S)	Contributions to employee benefit plans	0.1	0.1	0.1	0.1
Total Agency		**1.0**	**1.0**	**1.0**	**1.0**

Note: Due to rounding, figures may not add to totals shown.

EXPLANATION OF TREND — 2008–2009 TO 2009–2010

Indian and Northern Affairs Canada

The net increase of approximately $447 million in actual spending from 2008–2009 to 2009–2010 primarily reflects:

- incremental funding provided through Canada's Economic Action Plan for First Nation housing, infrastructure, and child and family services; Arctic research infrastructure; remediation of contaminated sites both on reserves and across several northern areas; and promoting energy development in the North;
- an increase for obligations related to the implementation of the Indian Residential Schools Settlement Agreement;
- an increase for the Quebec Cree to settle implementation issues for the James Bay and Northern Quebec Agreement;
- incremental funding to meet the demand for ongoing First Nation and Inuit programs and services (2-percent allowance for inflation and population growth); and
- a decrease in funding provided for out-of-court settlements, as well the deferral of various specific claims to future years.

Canadian Northern Economic Development Agency

Order in Council P.C. 2009-1423 transferred from the Department of Indian Affairs and Northern Development to the Canadian Northern Economic Development Agency the control and supervision of the portion of the federal public administration in the Department of Indian Affairs and Northern Development known as the Northern Economic Development Branch, effective August 18, 2009. Actual spending of $39.6 million reflects expenditures for the period from August 18, 2009, to March 31, 2010.

SECTION II
ANALYSIS OF PROGRAM ACTIVITIES BY STRATEGIC OUTCOMES

THE GOVERNMENT STRATEGIC OUTCOME

Good governance, effective institutions and co-operative relationships for First Nations, Inuit and Northerners

The Government strategic outcome enables and supports good governance and effective institutions for First Nations and Inuit. Supporting program activities and initiatives enhance the accountability of First Nation and Inuit governments and their capacity to exercise core government functions. As collaborative efforts, these program activities also build co-operative relationships among federal, provincial, territorial, First Nation and Inuit governments.

Lessons Learned

The Government acknowledges there are different views about the nature, scope and content of Aboriginal rights and title. This situation leads at times to the litigation of claims to Aboriginal title and rights resulting in lengthy and costly court processes that also tend to provoke conflict. The Government is convinced that litigation should be a last resort. To support this, in March 2010, the Minister announced new federal negotiation authorities aimed at helping Canada conclude agreements more quickly and better manage their outcomes. Some new authorities apply across Canada and others are exclusively for B.C. treaty negotiations. For example, one of the new authorities provides tools and

Benefits to Canadians

Capable and accountable First Nation and Inuit governments, supported by appropriate institutions, are the foundation for First Nation and Inuit participation in the Canadian economy. Communities demonstrating good governance are more likely to develop their full potential and attract private sector investment, which reinforces community self-reliance. They can then make greater contributions to their own members and to Canada as a whole. INAC's related efforts in 2009–2010 focused on the redesign of the Indian Government Support Programs and on working with First Nation partners to improve the First Nation election regime and the selection of community leaders. These efforts will support First Nations in implementing strong, effective and capable governments.[1]

Through co-operative relationships, INAC also supports the consultation and engagement of stakeholders, the productivity of claims and self-government negotiations, and the achievement of settlements. Comprehensive land claims and self-government agreements all support Aboriginal people's inherent right to self-government.[2] Moreover, these agreements, including those resolving historic grievances through Canada's Specific Claims Action Plan, work to improve social and economic conditions for First Nation communities and their members.

[1] For more information on INAC's Indian Government Support Programs, please see www.ainc-inac.gc.ca/ap/gov/igsp/index-eng.asp.

[2] For more information on self-government, please see www.ainc-inac.gc.ca/al/ldc/ccl/pubs/sg/sg-eng.asp.

guidance to include more specific recognition language in agreements that will allow INAC to move forward with new relationships based on mutual recognition and respect.[1]

INAC put in place a pilot project to address delays in reporting to Parliament on implementation of final agreements.[2] Signatories are exploring a new approach focused on a simplified process and a results-based structure. This will make the reporting process simpler and more efficient, while providing clearer information on progress made in implementation.

Over the past few years, INAC assessed capable and accountable governments in communities based on the implementation of capacity development plans. The 2009 evaluation of Indian Government Support Programs[3] identified a need to strengthen the overall program performance measurement system. Initially, a governance capacity assessment tool was designed to be used by First Nations to help them determine their governance capacity gaps and to set benchmarks against which to measure improvements. Based on feedback received from First Nations on the draft assessment tool, INAC has revised the tool to be a community-focused governance capacity planning tool. The department will be piloting this revised tool with First Nations in 2010–2011. The planning tool will become a key part of the revised performance measurement system for the Indian Government Support Programs.

[1] For more information on the B.C. Treaty Process, please see www.ainc-inac.gc.ca/ai/mr/is/bctp-eng.asp.

[2] For more information on final agreements, please see www.ainc-inac.gc.ca/al/ldc/ccl/fagr/index-eng.asp.

[3] For the evaluation of Indian Government Support Programs, please see www.ainc-inac.gc.ca/ap/gov/igsp/pfe/pfe-eng.asp.

PROGRAM ACTIVITY: GOVERNANCE AND INSTITUTIONS OF GOVERNMENT

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
641.2	656.7	654.8	88.0	85.2	-2.8

The difference between Planned Spending and Total Authorities primarily reflects incremental funding for the implementation of comprehensive land claims agreements in Yukon, Northwest Territories, Nunavut and Quebec, as well the implementation of the Nisga'a Final Agreement.

This program activity supports legislative initiatives, programs and policies, and administrative mechanisms that foster and support legitimate, stable, effective, efficient, publicly accountable and culturally relevant First Nation and Inuit governments.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Capable and accountable governments and institutions	Percentage of assessed communities with capacity development plans	Capacity development plans prepared for 25% of communities that were assessed	Mostly met While INAC has not reached the target due to the change in strategy, other initiatives supported the expected result.	Began work to develop a governance capacity planning tool Worked on redesign of Indian Government Support Programs Funded First Nation study of leadership selection reform
Fulfilled *Indian Act* statutory and regulatory obligations that concern elections and law-making[a]	Percentage of bylaws and elections processed within the statutory time frames identified in the *Indian Act*	100%	Election appeals: Mostly met Bylaws: Met	Of the 75 bylaws received, 46 were properly enacted and therefore needed to be processed within the 40 day statutory period. Of the 46, all 46 were processed within the 40 day statutory period.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Governance capacity in First Nation communities and institutions	Percentage of First Nations free of financial intervention as predefined by departmental intervention policy	95%	Met	95% Only 5% of First Nations are under third-party management for financial reasons
	First Nation communities free of intervention for non-financial reasons[b]	95%	Exceeded	99.3%
Operational Aboriginal and public institutions of government	Percentage of funding to be provided to implementation bodies to carry out their obligations and activities	100%	Met	Delivered funding to all implementation boards and bodies as per agreements

[a] For improved clarity, the expected result has been reworded slightly compared with the *2009–2010 Report on Plans and Priorities.*

[b] For improved clarity, the performance indicator has been reworded slightly compared with the *2009–2010 Report on Plans and Priorities.*

Performance Analysis

INAC convened an advisory panel and nationwide meetings to discuss a detailed proposal to renew and redesign the Indian Government Support Programs, supported by findings of an evaluation completed in 2009.[1] The proposal aimed at consolidating and better supporting modern, democratic and accountable First Nation governments.[2] The 550 participants included First Nation chief administrators and Tribal Council executive directors. First Nations' feedback prompted INAC to reconsider aspects of the proposal. INAC funded two First Nation partners — the Atlantic Policy Congress of First Nations Chiefs and the Assembly of Manitoba Chiefs — to research and consult on how to reform the way communities select their leaders. The department is reviewing their recommendations.

Under the *First Nations Fiscal and Statistical Management Act,* INAC established a $10-million dollar Credit Enhancement Fund grant to improve the credit rating of the First Nations Finance Authority (a non-profit finance authority that serves First Nation governments). In 2009–2010, 59 First Nations were scheduled, or requested to be scheduled, to collect real-property tax under the Act. The Act allows First Nations to levy property taxes, expanding their opportunities for participating in the national economy.

In 2009–2010, INAC largely fulfilled statutory and regulatory obligations under the *Indian Act* concerning elections and law-making. The number of election appeals decreased from 26 percent in 2008–2009 to 24 percent in 2009–2010.

[1] For the evaluation report, please see www.ainc-inac.gc.ca/ap/gov/igsp/pfe/pfe-eng.asp.

[2] For the text of the proposal, please see www.ainc-inac.gc.ca/ap/gov/igsp/index-eng.asp.

PROGRAM ACTIVITY: CO-OPERATIVE RELATIONSHIPS

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
270.5	228.2	207.6	394.2	417.8	23.6

The difference between Planned Spending and Total Authorities primarily reflects reduced requirements for land acquisitions pursuant to treaty-related measures and the Surplus Federal Real Property Initiative that had been expected, but did not materialize. The difference between Total Authorities and Actual Spending primarily reflects reduced loan requirements for First Nations involved in claims negotiations that did not yet reach the final agreement phase.

Co-operative relationships are about mutual respect. They establish an atmosphere of trust, accountability and respectful partnerships among governments, First Nations and Inuit. Through this program activity, land claims and self-government agreements are negotiated and implemented; treaty relationships between the Crown and First Nations are enhanced and promoted; certainty is obtained over the ownership, use and management of land and resources; and Inuit are effectively represented in federal policy decisions.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Relationships based on trust, respect, mutual understanding and shared responsibilities[a]	Percentage of productive negotiation tables	90% of active tables	Exceeded	Of 232 active tables in 2009–2010, 13 were assessed non-productive
Canada honours all its obligations as set out in final agreements[a]	Percentage of federal obligations implemented as per the agreements	75% of obligations on target[b]	Mostly met	Renewed Nisga'a Fiscal Financial Agreement and Nunavik Housing Agreement Reached settlement agreements fulfilling Canada's long outstanding obligation under the Inuvialuit Final Agreement Delayed in renewing the Mi'kmaq Education Funding Agreement
Inuit have a voice in federal policy- and decision-making	Number of new formal multi-partner processes in areas identified jointly by Inuit and the federal government[c]	1 (for a total of 2)	Met	Signed Inuit Education Accord

[a] For improved clarity, the expected result and the performance indicator have been reworded slightly compared with the *2009–2010 Report on Plans and Priorities* (RPP).

[b] The 100% target published in the 2009–2010 RPP has been changed for a more realistic target of 75% after analyzing baseline data. Despite the best efforts of INAC, there will always be instances where obligations cannot be fully met within the specified timeframe.

[c] For improved clarity, this performance indicator has been reworded slightly compared with the 2009–2010 RPP.

Performance Analysis

In 2009–2010, the department implemented the action plan announced in 2007 by the Prime Minister to reform the specific claims process.[1] In November 2009, the government appointed three members of the Specific Claims Tribunal, including the Chairperson. The department is also creating a Mediation Services Unit, which will make qualified, independent mediators available to negotiating tables. INAC has dedicated $250 million a year over 10 years for settlements.

In partnership with the Tsawwassen First Nation, other government departments and the province of British Columbia, INAC brought the Tsawwassen Comprehensive Final Agreement into effect on schedule on April 3, 2009. In addition, in March 2010, the Crees of Eeyou Istchee ratified the Eeyou Marine Region Land Claims Agreement.

On the Government of Canada's behalf, in July 2009 INAC tabled a response to the Senate report *Honouring the Spirit of Modern Treaties: Closing the Loopholes*.[2] This response agreed on needed changes, such as strengthening cross-government monitoring and reporting mechanisms, as well as developing guidelines for the federal government to fulfil the obligations of the treaties. Canada also highlighted several important related initiatives underway, including a cross-government management process to support consultation, collaboration and decision-making on implementation issues.

To ensure Inuit interests are addressed in Canada's response to the European Union's seal import ban, INAC worked closely through the Inuit Relations Secretariat with other departments, governments and Inuit organizations. The Secretariat also worked with Tungasuvvingat Inuit to strengthen urban Inuit organizations. These organizations ensure Inuit living in the South have a voice and are aware of available programs and services, such as addictions and trauma treatment, and skills training. In addition, the Secretariat worked with the Hamlet of Pangnirtung, Government of Nunavut departments, and several federal departments and agencies on a pilot project to develop a single-window to federal funding and programs for remote communities.

INAC continued to implement Canada's Action Plan on Consultation and Accommodation, which promotes increased federal awareness and understanding of the legal duty to consult with Aboriginal persons and the development of consultation and accommodation policies. Over 1,500 federal officials have received training on the duty to consult. INAC is developing an electronic information system to help other departments gather baseline information on Aboriginal and treaty rights. In 2009–2010 the department met with over 70 First Nation, Métis and Inuit groups, held 17 industry sessions, and various provincial and territorial forums, all focusing on the development of federal policy on consultation and accommodation. INAC also assisted departments and agencies working on their policies, tools and consultation processes.

[1] For more information on specific claims, please see www.ainc-inac.gc.ca/al/ldc/spc/pubs/pamp/pamp-eng.asp.

[2] For the response, please see www.parl.gc.ca/39/2/parlbus/commbus/senate/com-e/abor-e/rep-e/response05-e.pdf.

PROGRAM ACTIVITY: CLAIMS SETTLEMENTS

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
828.0	1,068.1	754.5	462.0	367.3	-94.7

The difference between Planned Spending and Total Authorities primarily reflects obligations stemming from the Indian Residential Schools Settlement Agreement. The difference between Total Authorities and Actual Spending primarily reflects the deferral of certain specific claims for which negotiations were not concluded during the fiscal year. Funding not required in 2009–2010 will be reprofiled to 2010–2011 and future years, when it will be available for the intended purpose.

This program activity provides approved payments to Aboriginal groups for the settlement of special, specific and comprehensive claims successfully concluded through negotiations. Specific claims deal with the past grievances of First Nations and are not necessarily land-related. Comprehensive claims are modern-day treaties. They involve land and are negotiated in areas of the country where Aboriginal rights and titles have not been addressed by treaty or through other legal means.

Expected Result	Performance Indicators	Targets	Performance Status	Performance Summary
Canada honours all of its obligations as set out in final agreements[a]	Percentage of claims settlement dollars transferred during the fiscal year in accordance with special and comprehensive claims negotiations	100% of planned spending for the fiscal year	Met	100% of planned spending spent and paid a total of $19.6 million to First Nations relating to the 12 specific claims settled
	Percentage of federal obligations implemented as per residential school agreements	Over 75% of obligations on target	Met	Paid 75,770 out of an estimated 80,000 Common Experience Payment applicants (95%) Paid $321.2 million (including $54.6 million in payments at year-end) in Independent Assessment Process payments (99% of forecast) Spent $4 million under INAC's Advocacy and Public Information Program Supported the Truth and Reconciliation Commission (TRC) and appointment of the Indian Residential School Survivor Committee in July 2009: • established an interdepartmental committee to co-ordinate transfer of all relevant Indian Residential School-related documents to the TRC • provided about 40,000 documents to the Commission.

Expected Result	Performance Indicators	Targets	Performance Status	Performance Summary
				• provided over $1 million in in-kind services to TRC through a Memorandum of Understanding. • led co-ordination of federal presence for the TRC's first national event

* For improved clarity, the expected result and the performance indicator have been reworded compared with the *2009–2010 Report on Plans and Priorities*.

Performance Analysis

As of March 31, 2010, the specific claims active inventory stood at 429 claims under assessment; and 159 in negotiation, for a total of 588 claims. The backlog of claims was reduced by 141 during 2009–2010. During that period, 43 claims were accepted for negotiation. The government made payments totalling $19,572,081 to First Nations in accordance with the 12 claims settlement agreements reached last year.

INAC introduced several improvements to help improve administration of its obligations under the Indian Residential Schools Settlement Agreement. These included developing a user-friendly monitoring system for all weekly data on the Integrated Common Experience Payments and Independent Assessment Process.

Common Experience Payments issued under the Settlement Agreement totalled $1.56 billion to date. Independent Assessment Process, alternative dispute resolution and litigation settlement payments issued totalled $571.7 million to date.

THE PEOPLE STRATEGIC OUTCOME

Individual and family well-being for First Nations and Inuit

People are at the heart of INAC's business and are central to the outcomes of all departmental programs and activities. Through the People strategic outcome, INAC aims to improve individual, family and community well-being for First Nations and Inuit, enhancing their overall quality of life.

Three program activities support results under this strategic outcome:

- Education: improving First Nation and Inuit educational outcomes and ensuring they are comparable to those of other Canadians;
- Social Development: building self-sufficiency, security and safety of individuals and First Nation families within supportive, sustainable communities; and
- Managing Individual Affairs: ensuring well-managed affairs (registration of individuals under the *Indian Act*, band membership, estates, treaty annuities, and band and individual moneys) for First Nations.

Benefits to Canadians

INAC is committed to ensuring that First Nation people and Inuit enjoy the same education opportunities and quality of social services as other Canadians. With enhanced skills and training and increased opportunities for sustainable employment, Aboriginal people are able to improve their prospects and quality of life and make greater contributions to Canada's society and economy.

The department is also dedicated to fulfilling the Government of Canada's obligations and commitments, and dealing with specific rights and benefits for First Nations, Inuit and Métis. The government's fulfillment of its commitments supports Aboriginal people in building their own capacities. This enables them to manage and control their affairs, invest in their community development, and create economic partnerships.

Lessons Learned

INAC will continue to work to improve First Nation and Inuit educational outcomes. Corrective actions have been taken to increase high-school graduation rates, which have slightly decreased from 2007–2008 to 2008-2009. In 2009, internal audits were completed for both the elementary and secondary[1] and the post-secondary education programs.[2]

The audit findings revealed that although both programs are helping First Nation students access education services, improvements are needed in the implementation of management control frameworks and in monitoring and compliance auditing activities. Audit action plans were implemented in 2009–2010 to improve students' access to quality services, program accountability, governance and partnerships. For example, in response to recommendations made in the elementary and secondary audit, work is now underway to review all targeted programs' terms and conditions and to develop new reporting templates to ensure more appropriate and relevant data collection.

Also, in response to recommendations made in the post-secondary education audit, INAC engaged in discussions with the joint INAC–Assembly of First Nations Expert Group on Post-Secondary Education and worked with regional offices regarding minimum program requirements and delivery standards. Revised delivery standards are expected in 2010–2011.

[1] For information on the elementary and secondary education audit, please see www.ainc-inac.gc.ca/ai/arp/aev/pubs/au/ese/ese-eng.asp.

[2] For information on the post-secondary education audit, please see www.ainc-inac.gc.ca/ai/arp/aev/pubs/au/psep/psep-eng.asp.

PROGRAM ACTIVITY: EDUCATION

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,705.2	1,741.1	1,738.5	163.0	217.1	54.1

The difference between Planned Spending and Total Authorities relates primarily to the reallocation of resources, primarily from community infrastructure, to meet increased demand for education programs and services.

This program activity aims to provide First Nations and Inuit with the tools to achieve educational outcomes comparable to those of other Canadians. Education programs will continue to support the provision of elementary and secondary education services. These services include ongoing reforms of First Nation education through a student success program, a partnership program, special education services, financial supports for Status Indians and Inuit to participate in post-secondary education, and culturally relevant education.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
First Nation students achieving educational outcomes comparable to those achieved by students in the provincial system where the reserve is located	High school graduation rates by age	Increase graduation rates of First Nation students by 2013	Not met	Continued work toward increasing First Nation students' graduation rate by 2013: • 33.4% of grade 12 (grade 11 in Quebec) students living on reserves graduated from high school in 2008–2009, a 0.7% decrease from 2007–2008 • 1.8% decrease in graduation rate for females • 0.5% increase in graduation rates for males Graduation rate by age: • students aged 16–21 was 36.3% (37.2% female, 35.37% male), an increase of 2% from 2007–2008 • students 22 and over was 20.7% (22.2% female, 18.5% male), a decrease of 4% from 2007–2008.
	Literacy and numeracy levels	Literacy and numeracy levels of First Nation students who participated in standardized testing are benchmarked with provincial system students' results	N/A	Will collect student assessment data (literacy and numeracy levels for performance indicators) using the Education Information System when it rolls out in 2012

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
First Nation and Inuit learners have improved educational attainment	Number of First Nation and Inuit students enrolled in a post-secondary education program	First Nation and Inuit learners enrolled in post-secondary education at a rate comparable to the provincial average.	Met all	Increased by 231 the number of First Nation and Inuit students enrolled in post-secondary institutions who have accessed funding under the Post-Secondary Student Support Program, from 21,645 in 2007–2008 to 21,876 in 2008–2009
	Number of First Nation and Inuit post-secondary graduates[a]	Increase the number of First Nation and Inuit students who graduate in post-secondary education programs.	Met all	Increased by 144 the number of First Nation and Inuit students who graduated from post-secondary institutions, from 3,726 in 2007–2008 to 3,870 in 2008–2009

[a] For improved clarity, the expected result and the performance indicator have been reworded slightly compared with the *2009–2010 Report on Plans and Priorities*.

Performance Analysis

The Community Well-Being (CWB) Index, which helps measure the quality of life of First Nation and Inuit communities in Canada, shows that the education component has improved from 1981, but less rapidly since 2001. (The education component reflects the number of community members with at least a high school education, and those who have attained a university degree.) The education score for First Nation communities rose from 32 in 2001 to 34 in 2006, a significant advance over the score of 14 in 1981.

Through its funding of programs and services, such as the Elementary/Secondary and Post-Secondary Education programs, the First Nation Student Success Program and the Education Partnerships Program, INAC continued to work toward providing First Nation and Inuit students with the supports needed to achieve educational outcomes comparable to those of other Canadians. Examples of measures used by INAC to determine comparable educational outcomes are the high school graduation rate, and post-secondary education enrolment and graduation numbers. The graduation rate for grade 12 students (grade 11 in Quebec) living on reserves decreased from 34.1 percent in 2007–2008 to 33.4 percent in 2008–2009.[1]

There are only marginal variations in the graduation rate for males and females. The graduation rate for females decreased by 1.8 percent from 2007–2008, and increased by 0.5 percent for males.

In 2009–2010, INAC continued to fund First Nation and Inuit organizations so that they could deliver a wide range of education programs and services. The department funded 18 proposals under the First Nation Student Success Program for a total investment of $25.5 million. With these funds, participating First Nations helped their schools develop and implement success plans, learning

[1] INAC's reported First Nation high school and post-secondary graduation rates differ from the Community Well-Being Index outcomes because they are taken from different years (2007–2008 and 2008–2009), and are not aggregated into a single score. Moreover, these rates are derived from INAC's nominal roll and the National Post-Secondary Education Database, not the Census.

assessments and performance measurement systems for students' progress. The department initially expected that 20 percent of eligible First Nation communities would apply to the new program; instead, in its first year of operation, 72 percent of eligible communities were represented in approved proposals.

Under the Education Partnerships Program, INAC provided $4.4 million to fund 19 proposals. These projects will strengthen tripartite agreements to support better collaboration and the sharing of expertise between First Nation schools and provincial education systems. At the end of 2009–2010, the National Selection Committee was in the process of reviewing and approving an additional 37 proposals from the second round of the two programs.

In keeping with INAC's commitment to strengthen partnerships with First Nations and provinces to improve educational outcomes in band-operated and provincial schools, INAC, Manitoba First Nations and the Government of Manitoba signed a Letter of Understanding in October 2009. The partners will work to improve education outcomes for First Nation students in areas including early learning programs, First Nation virtual schools and reciprocal professional development for teachers.

In February 2010, the department, the Assembly of Treaty Chiefs and the Government of Alberta signed a Memorandum of Understanding setting out their shared vision for the increased success of First Nation students in the province. The agreement supports collaboration on a range of education-related issues including parental and community engagement, treaty and cultural awareness, and ongoing work on tuition and education service agreements.

In the area of post-secondary education, INAC responded to 7 of the 14 recommendations in its Post-Secondary Education Program Audit and established a joint INAC–Assembly of First Nations Expert Group on Post-Secondary Education to draft a report with recommendations to support follow-up action to the audit. The report includes jointly drafted performance measures for the program, a plan to improve program delivery and recommendations for changes to the Post-Secondary Education National Program Guidelines.

INAC continued work on the review of the Post-Secondary Education Program to ensure that funding reaches the students who need it most. Moreover, the department engaged in discussions with several First Nation organizations, including the Federation of Saskatchewan Indian Nations, Grand Council of Treaty 3, Union of Ontario Indians and Chiefs of Ontario, to get their perspectives on how to improve the program's effectiveness, accountability and co-ordination with other programs.

INAC also contributed to research in this area. The department commissioned research from the Educational Policy Institute on alternative delivery mechanisms for the Post-Secondary Student Support Program,[1] and from the Association of Universities and Colleges of Canada on updating and enhancing the Aboriginal university education programming inventory.[2] A comprehensive evaluation of the elementary, secondary and post-secondary programs is scheduled to begin in 2010 and is expected to be completed no later than 2012. This evaluation will provide a thorough assessment of the impacts of education programming to date.

[1] For information on this research on alternative delivery mechanisms, please see http://educationalpolicy.org/publications/pubpdf/INAC.pdf.

[2] For information on this research on updating the Aboriginal university education programming inventory, please see www.aucc.ca/_pdf/english/reports/2010/aboriginal_report_e.pdf.

PROGRAM ACTIVITY: SOCIAL DEVELOPMENT

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,458.3	1,558.6	1,557.1	34.0	65.4	31.4

The difference between Planned Spending and Total Authorities relates primarily to the reallocation of resources, primarily from community infrastructure, to meet increased demand for social development programs and services.

This program activity supports the safety and well-being of First Nation individuals and families through the delivery of social services on reserves. Social services include support for a wide range of basic and special needs for individuals, as well as services focused on families and the community as a whole.[1]

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Reduce the percentage of income assistance recipients	Income assistance dependency rate	Reduce the income assistance dependency rate by 2% by March 31, 2012, to meet the target of 5% in 2015[a]	Not met	Dependency rate increased slightly nationwide between 2007 and 2009, from 33.7% to 34% The recent economic downturn, combined with a high Aboriginal unemployment rate and large increases in the on-reserve Aboriginal population, impeded any reduction in the national dependency rate
First Nation families and children have safe and nurturing living environments	Number of jurisdictions that have moved to an Enhanced Prevention-Focused Approach for First Nation child and family services[b]	One to two jurisdictions per year, with completion by 2013	Met	Provided $20 million over two years under Canada's Economic Action Plan to move Quebec and Prince Edward Island to the Enhanced Prevention-Focused Approach
Safety and security of reserve residents is enhanced	Number of family-violence shelters	Increase number of shelters by five by March 2011	Met	Opened new shelters in Quebec, Alberta and British Columbia Expect the remaining two shelters in Manitoba and Ontario to be fully operational by summer 2010.

a This target has been changed from the *2009-2010 Report on Plans and Priorities* based on most recent data.

b This performance indicator changed from the *2009–2010 Report on Plans and Priorities* because no data were available to support the original indicator.

[1] For more information on INAC's social programs can be obtained at: www.ainc-inac.gc.ca/ps/soc_e.html.

Performance Analysis

In 2009–2010, INAC continued to provide funding for the delivery of social services on reserves to support the safety and well-being of First Nation individuals and their families. INAC has contributed to the enhancement of safety and security of reserve residents by building new family-violence shelters. Shelters in Quebec, Alberta and British Columbia are now open and the remaining two shelters in Manitoba and Ontario are expected to be fully operational by summer 2010.

In August 2009, the department announced the expansion of the Enhanced Prevention-Focused Approach (EPFA) in Quebec and in Prince Edward Island.[1] These tripartite frameworks support agencies in delivering provincially comparable and culturally appropriate services to First Nation children and families living on reserves. Over the long term, these services are expected to result in reduced numbers of children in care and decreased maintenance costs.

In 2009–2010, an implementation evaluation of the EPFA in Alberta was undertaken to assess relevance, design, delivery and performance to date to inform future implementation of this model in other jurisdictions. The evaluation recommended that the program revisit the EPFA funding model to incorporate lessons learned, assist agencies in building capacity, support agencies in strengthening performance measurement and improve communication to promote overall understanding of the EPFA model.

In addition, INAC continued to promote the expansion of active measures (to help clients make the transition from welfare to work) on reserves for income assistance recipients. This approach, which includes support for recipients to receive skills training and upgrading, aims to help them improve their employability so that they can make the transition to the labour force. With the help of a small Active Measures Reserve Fund, over 30 First Nations across Canada received support for active measures pilot projects during the fiscal year. The department also continued reforming the Income Assistance Program to address the recommendations of a 2009 evaluation.[2] This called for greater collaboration with federal, provincial and First Nation stakeholders, improved program management, and better access to services for income assistance clients.

[1] For more information on the EPFA, please see www.ainc-inac.gc.ca/ai/mr/nr/m-a2009/bk000000439-eng.asp.

[2] For the Income Assistance Program Evaluation, please see www.ainc-inac.gc.ca/ai/arp/aev/pubs/ev/eiap07/eiap07-eng.asp.

PROGRAM ACTIVITY: MANAGING INDIVIDUAL AFFAIRS

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
30.2	27.9	27.7	107.0	162.2	55.2

The difference between Planned Spending and Total Authorities primarily reflects the deferral of project implementation activities for the Secure Certificate of Indian Status. Funding that was not required in 2009–2010 has been reprofiled to 2010–2011, when it will be available for the intended purpose.

This program activity provides programs and services to First Nation governments, communities and individuals, including registration of individuals under the *Indian Act*, band membership, certificates of Indian status and the provision of treaty payments. Under this activity, the department administers First Nation estates, the creation of new bands, and individual and band moneys held in trust in the Consolidated Revenue Fund.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
National implementation of the new Secure Certificate of Indian Status (SCIS)	Number and percentage of operational regional and First Nation application centres	100% by March 31, 2010 *Note:* Revised targets: 1. Begin production of the SCIS by December 31, 2009 2. Conduct SCIS Application Field Intake clinics at two First Nation communities by March 31, 2010	Met new targets	Began producing the SCIS cards December 21, 2009 Issued 3,554 cards by March 31, 2010 Held clinics at Walpole Island First Nation and Mohawks of the Bay of Quinte First Nation by March 31, 2010
First Nations and individuals access moneys held in the Consolidated Revenue Fund in accordance with established service standards	Percentage of requests disbursed that meet established service standards (12 days)	Increase the current 90% compliance to 91%	Somewhat met	Disbursed 88% of requests within the established service standard Received and approved 17 requests, of which 15 met the 12-day service standard (delays related to corrections required to Band Council Resolutions, and ensuring sufficient capital moneys to fund expenditure requests) Conducted an audit of the Indian Moneys Program, with results pending early in 2010–2011

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
INAC's role in the estates of deceased on-reserve Indians is discharged in accordance with established service standards	Percentage of non-departmental administrators appointed in accordance with established service standards (90 to 120 days)	91%	Mostly met	Met the service standard 89% of the time Anomalies in the reporting system do not allow for exact percentages to be calculated Issues outside the program headquarters control may have prevented the program from reaching the 91% appointment target
	Percentage of estates opened by a departmental administrator are closed within service standards (one year)[a]	50%	Somewhat met	Closed 42% of estates opened by a departmental administrator within one year

[a] For improved clarity, this performance indicator has been reworded compared with the *2009–2010 Report on Plans and Priorities*.

Performance Analysis

Based on advice from community consultations, the department changed its strategy on the new Secure Certificate of Indian Status in mid-September 2009 to address vulnerabilities in the process. Based on advice from sample communities in early 2009–2010, the SCIS project underwent a significant strategy change in mid-September. The change addressed system vulnerabilities to ensure that SCIS privacy standards would not be compromised.

The new strategy resolved these problems and production of the secure cards began in December 2009. By March 31, 2010, the department had issued 3,554 secure cards.

In 2009–2010, INAC continued working toward the implementation of the Agreement with the Federation of Newfoundland Indians to fulfil the Government of Canada's commitment to recognize the Qalipu Mi'kmaq First Nation Band. The first stage of the enrolment process held under the agreement concluded November 30, 2009. This initiative received overwhelming support from the Mi'kmaq population, with significantly higher enrolment than expected.

As of November 30, 2009, nearly 26,000 applications had been received and approximately 11,000 had been approved for the initial members list by the Enrolment Committee. The high number of applicants spurred the department and the Federation of Newfoundland Indians to adopt an accelerated strategy to ensure that eligible members of the Mi'kmaq of Newfoundland became members of the Qalipu Mi'kmaq First Nation Band as quickly as possible.

INAC also took action to fulfill the government's responsibilities relating to the *McIvor* decision. This B.C. Court of Appeal ruling concludes that certain registration provisions of the *Indian Act* are unconstitutional as they violate the equality provision of the *Canadian Charter of Rights and Freedoms*. After a six-month engagement process with Aboriginal stakeholders, on March 11, 2010, the Government of Canada introduced Bill C-3, the *Gender Equity in Indian Registration Act,* to comply with the Court's decision. This bill would amend the registration provisions of the *Indian Act*.[1] An evaluation of the Contribution for Indian Band Registration Administration is nearing completion.

[1] For more information on Bill C-3, please see www.ainc-inac.gc.ca/br/is/vor-eng.asp.

THE LAND STRATEGIC OUTCOME

Sustainable management of lands, resources and environment by First Nations and Inuit

Through this strategic outcome, INAC strives to clarify the title and access to First Nation and Inuit lands; to support responsible federal stewardship of First Nation land, resources and the environment; and to provide opportunities for First Nations' governance over land, resources and the environment.

Lessons Learned

In recent years, many First Nations have requested additions to reserves along with greater powers to manage the land in a way that promotes greater economic development within their communities. In partnership with the National Aboriginal Lands Managers Association, the department developed an Addition to Reserve Toolkit to assist First Nations and other partners in the first and most critical step in the addition-to-reserve process — the actual selection of land. This can be a difficult task because the land selected must meet the community's long-term plans, and be free of any possible obstacles to a successful settlement agreement. This re-examination of the process led to the development of other tools to assist INAC regions with the remaining steps in the addition-to-reserve process. Under the Federal Framework for Aboriginal Economic Development, additional funding was provided for these tools as part of INAC's commitment to renew activities relating to reserve land.

Benefits to Canadians

The sustainable management of First Nation and Inuit lands, resources and environment provides a range of economic, social, environmental, health and safety benefits to First Nations, Inuit and all Canadians. As First Nations take over governance of their reserve lands, resources and environment, they can move with the speed and flexibility of the private sector to act on economic development opportunities. Moreover, responsible federal stewardship upholds the honour of the Crown; reduces federal liabilities in managing reserve lands, resources and environment; and contributes to the health and safety of First Nations. The addition of land to reserves enables First Nations to strengthen their communities' social and economic well-being, encourages investment, and promotes economic development.

Under the new Framework, INAC also launched a re-examination of the *Indian Act* land regime to address long-standing criticisms that the department's administration of reserve land makes it difficult for First Nations to use their land base for economic development. The department is developing options to address these issues through renewal of its economic programs and ongoing review of its own operations. These efforts will take into account the very different organizational capacities and development pressures of First Nations across the country.

PROGRAM ACTIVITY: CLARITY OF TITLE TO LAND AND RESOURCES

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
10.9	11.4	11.1	33.0	40.6	7.6

There are no material financial variances.

This program activity includes clarification of title to reserve lands, adding land to reserves, and implementing land transfers under specific and comprehensive claims settlement agreements.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Clarity of title and First Nation and Inuit access to land	Percentage change in hectares of land accessible to First Nations and Inuit per capita through clarification of title*	2.4% increase by March 31, 2010	Somewhat met	Increased the hectares of land accessible to First Nations and Inuit by only 1.5% (no existing population statistics were suitable for calculating the percentage change per capita)

* Area-based performance standards have proven to be poor indicators. Time-based standards will therefore be used in the future.

Performance Analysis

In April 2009, reserves occupied 3,394,808 hectares (8,388,740 acres) nationwide. During 2009–2010, the department added 52,903 hectares of land (130,726 acres) to reserves across the country. These lands either fulfil Canada's long-outstanding treaty obligations (Treaty Land Entitlement claims) or resolve specific claims. In fulfilment of Treaty Land Entitlement claims, 15,698 hectares (38,790 acres) were added to reserves in Manitoba, and 6,397 hectares (15,807 acres) to reserves in Saskatchewan. In other parts of the country, specific claim settlements added 30,809 hectares (76,131 acres) to reserves. These additions return lands of cultural significance to First Nations, and open real opportunities for community and economic development.

To clarify title to land and resources, INAC continued to work with railway companies and provinces on outstanding reserve title issues regarding lands taken for railways and in relation to mineral rights. Negotiating matters such as contamination, status of mineral rights and resolution of historic title is a long process. However, negotiations have advanced with the help of expert research and options to resolve these title issues.

A new partnership with the Assembly of First Nations on specific claims reform yielded excellent results. These include work on policy options both for implementing additions to reserves (ATRs) resulting from decisions of the Specific Claims Tribunal, and for improving and accelerating the ATR process for all First Nations.

To reduce the backlog of ATR submissions, the department now deals with submissions in accordance with established service standards. Remaining delays are typically due to specific issues that require other parties' involvement before they can be resolved. INAC will also be putting in place a performance measurement strategy for assessing ATR performance.

PROGRAM ACTIVITY: RESPONSIBLE FEDERAL STEWARDSHIP

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
76.0	135.7	126.9	236.3	283.5	47.2

The difference between Planned Spending and Total Authorities primarily reflects additional funding provided for contaminated sites and emergency management activities on reserves. The difference between Total Authorities and Actual Spending primarily reflects the deferral of projects, largely as a result of weather conditions, for assessment and remediation activities for the Federal Contaminated Sites Action Plan (FCSAP). An application to reprofiling of the 2010-2011 FCSAP funding that was not required in 2009–2010, is in progress so that is will be reprofiled to 2010–2011, when it will be available for the intended purpose.

Through this program activity, the department discharges both the statutory obligations and the fiduciary duties of the federal Crown in the areas of land, resource and environmental management. This activity also supports the development of First Nation governance in all these areas.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Responsible federal stewardship of reserve lands, resources and environment	Average number of days to register an instrument*	10 days from reception at headquarters	Exceeded	Registered 9,903 instruments, with an average processing time of close to 6 days
	Dollar value of moneys collected by Indian Oil and Gas Canada on behalf of First Nation communities	$160 million by March 31, 2010	Somewhat met	Collected $125.8 million on behalf of First Nations last year (due to lower than projected natural gas prices in the first quarter, the annual target was revised to $116 million)
	Linear distance covered by land surveys	275 km by March 31, 2010	Exceeded	Covered 301 km of linear distances on external boundaries

* An instrument is the legal document that gives effect to a transaction. It must include information to identify all aspects of the specific transaction clearly.

Performance Analysis

INAC is strengthening the Crown's administration of reserve land by upgrading the Indian Lands Registry. In this first major achievement of the department's ongoing collaboration with Natural Resources Canada, the upgraded registry integrates land parcel and geospatial survey data to simplify users' research of land records in both departments. The currency and completeness of information gives prospective investors more certainty, and First Nations the foundation to take more effective control of their lands. Upgrading the registry has opened avenues for further work to modernize the land tenure regime on reserves.

INAC also made significant strides in managing contaminated sites on reserves with the support of the Federal Contaminated Sites Action Plan and the Accelerating Action on Federal Contaminated Sites initiative under Canada's Economic Action Plan. In 2009–2010, INAC spent $35.4 million on assessing and remediating contaminated sites on reserves — an increase of $21 million from the previous year. In addition, the department reduced environmental liabilities by $20 million through ongoing work on 65 remediation projects and closure of 8 contaminated sites across the country.

Nineteen First Nations successfully completed the Professional Land Management Certification Program in 2009–2010 and received full certification under the Reserve Land and Environment Management Program. By the end of the planning period, a total of 57 First Nations were operating under the program.

Since the April 2006 enactment of the *First Nations Commercial and Industrial Development Act*, five First Nations have been able to move forward in exploring the potential for large-scale on-reserve commercial or industrial projects. In a major achievement for oil and gas management, the new *Indian Oil and Gas Act*, developed in partnership with the Indian Resource Council, received Royal Assent on May 14, 2009.

In 2009-10, the Senior Officials Responsible for Emergency Management (SOREM) established a First Nation, Inuit, and Northerners working group. INAC co-chairs this federal/provincial/territorial emergency management working group. This working group is developing a national approach to emergency management services in First Nations communities, including the development of approaches to increase the capacity of First Nations communities to manage on-reserve emergencies.

In June 2009, INAC developed its first National Emergency Management Plan. The department has also developed and commenced implementation of a national strategy to increase the number of emergency management plans in First Nations communities. INAC has worked collaboratively with the provinces and First Nations to increase training and plan development. This work continues in 2010-2011.

PROGRAM ACTIVITY: FIRST NATION GOVERNANCE OVER LAND, RESOURCES AND THE ENVIRONMENT

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
25.2	15.7	15.7	20.0	22.0	2.0

The difference between Total Authorities and Planned Spending is from the result of the deferral to 2010–2011 of a few high-value remediation projects.

This program activity includes the implementation of the *First Nations Land Management Act* regime, which gives law-making authority to signatory First Nations in relation to reserve land, and the *First Nations Oil and Gas and Moneys Management Act*, which gives First Nations the option to manage moneys currently held in trust for them.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
First Nations governance over land, resources and the environment	Number of new First Nations operating under the *First Nations Land Management Act*[a]	Five new First Nations operating under the Act	Met	Five First Nations began operating under the *First Nations Land Management Act* bringing total to 27.
	Number of operational First Nations under the oil and gas provisions of the *First Nations Oil and Gas Moneys Management Act*	Two	Not Met	The pilot project's timeline expired prior to communities holding their ratification votes[b]

[a] This indicator has changed from the indicator in the *2009–2010 Report on Plans and Priorities*. An absolute number was determined to be more useful indicator than a percentage change.

[b] As a result of the end of the pilot project, $150,000 was transferred to IMETA for FNOGMMA monies use and $86,221 was returned to Headquarters as surplus.

Performance Analysis

Under a pilot project through the *First Nations Oil and Gas and Moneys Management Act (FNOGMMA)*, three First Nations developed oil and gas codes, and held discussions with provinces on enforcement agreements. However, the pilot project's timeline expired prior to communities holding their ratification votes. INAC will assess the lessons learned from the pilot to determine whether to open the oil and gas component of FNOGMMA to other interested First Nations. A summative evaluation of FNOGMMA implementation found First Nations face a number of barriers when opting into FNOGMMA. This includes the complexity of an oil and gas regulatory regime, the lack of an enforcement mechanism, limited community capacity and the Government of Canada's fiduciary responsibility. The department has also begun to examine other possible barriers, such as the provincial requirements for enforcement agreements, and is studying First Nations' own priorities, and the risks and benefits when First Nations assume management and control of their oil and gas resources.

The First Nation Land Management regime reached its updated performance target of having five First Nations begin operating under the regime in 2009–2010, bringing the national total to 27. The First Nations Land Management regime remained closed to new entrants. An independent cost-benefit study completed in 2009–2010 confirmed that the regime encourages economic development opportunities on reserves.

THE ECONOMY STRATEGIC OUTCOME

Economic well-being and prosperity of First Nations, Inuit and Métis people

To take advantage of the growing opportunities for Aboriginal economic development, the Government of Canada launched the Federal Framework for Aboriginal Economic Development on June 29, 2009.[1] Through this Framework, the Government committed to working with willing partners to ensure that Aboriginal Canadians enjoy the same opportunities for employment, income and wealth creation as other Canadians. The Framework represents a fundamental change to how the federal government supports Aboriginal economic development. It identifies five strategic priorities: strengthening Aboriginal entrepreneurship; developing Aboriginal human capital; enhancing the value of Aboriginal assets; forging new and effective partnerships; and focusing the role of the federal government. It also committed $200 million, in addition to $20M announced in Budget 2008, to support increased access to and control of reserve lands, access to capital and business services, an Aboriginal procurement strategy, and sector partnerships. In 2009–2010, INAC began renovating its existing programs to better align itself with the Framework's priorities, as recommended in the 2009 evaluation of INAC's Economic Development Programs.[2] This will help to ensure that Aboriginal people participate in land development and economic opportunities that promote well-being and prosperity.

Benefits to Canadians

Opportunity-based and market-driven Aboriginal economic development supports the growth of viable Aboriginal businesses and jobs. Expanded Aboriginal entrepreneurship and employment contribute to Aboriginal people's self-sufficiency, building stronger communities and strengthening the national economy. Modernizing Canada's statutory and regulatory regimes allows Aboriginal assets to realize their potential for the benefit of both Aboriginal and non-Aboriginal Canadians.

The department's support of Aboriginal participation at the Vancouver 2010 Olympic and Paralympic Games also produced significant results. The highly successful Aboriginal Pavilion, featuring many Aboriginal entrepreneurs, received more than 242,000 visitors, as well as enthusiastic reviews from both Canadian and international media.

INAC is realigning and renewing key activities, policies and procedures for more effective investments in First Nation community infrastructure and education facilities. Last year, INAC successfully renewed the First Nations Water and Wastewater Action Plan, which will give First Nation communities improved access to safe drinking water. The department also developed a legislative framework for First Nation communities' drinking water and wastewater.

[1] For more information on the Framework, please see www.ainc-inac.com/ecd/ffaed-eng.asp.

[2] For more information on the evaluation of INAC's economic development programs, please see www.ainc-inac.gc.ca/ai/arp/aev/pubs/ev/ecdev/ecdev-eng.asp#sec6.

Lessons Learned

The implementation of the Federal Framework for Aboriginal Economic Development and the related renewal of the department's programs both respond directly to findings from Aboriginal economic development program evaluations, audits, research and engagement sessions. As a reflection of lessons learned, the Framework and program renewal will focus on better alignment of programs with strategic priorities and clarifying expected results. They will also ensure that economic development programming meets the needs of and creates opportunities for Aboriginal individuals and communities, as well as supports communities in developing their capacity to implement their economic plans and projects.

With respect to infrastructure, the department is responding to the lack of sustained technical and management capacity both in government and in First Nation communities. This lack, combined with the increasing backlog of infrastructure projects requiring funding, is reducing the ability of the department and First Nations to address pressing health and safety needs. To mitigate these risks, INAC is developing performance-based programming and a new approach to financing and managing infrastructure. This approach is designed to increase technical and management expertise and maximize the benefits from investments.

PROGRAM ACTIVITY: INDIVIDUAL AND COMMUNITY BUSINESS DEVELOPMENT

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
45.6	59.5	58.4	88.0	66.3	-21.7

The difference between Planned Spending and Total Authorities primarily reflects incremental funding for implementing the new Federal Framework for Aboriginal Economic Development.

This program activity helps aspiring Aboriginal businesspeople deal with the unique challenges in and barriers to participating in Canada's economy and sharing in the national prosperity. INAC's Aboriginal Business Development Program supports sustainable business development and a modern business climate. Program activities and funding help individuals and communities to access private sector business financing at competitive rates, and obtain business information and advice. The program also facilitates private sector partnerships in major business projects, and supports Aboriginal-owned or -controlled financing institutions in providing developmental lending and advisory services to Aboriginal businesses.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Business ownership by First Nation, Inuit and Métis individuals and communities	Number of businesses created or expanded*	250	Exceeded	Committed $13.7 million in support of 317 businesses created or expanded
Establishment, acquisition and expansion of viable businesses	Survival rate of supported businesses after three years	38% by March 2010	Exceeded	42% of businesses assisted and monitored over a three-year period remained in business

* The business ownership rate indicator published in the *2009–2010 Report on Plans and Priorities* is not an appropriate current measure, as this rate can be measured only every five years.

Performance Analysis

INAC exceeded its target by supporting the creation or expansion of 317 businesses in 2009–2010 and undertook new business capitalization activities that promise similar results. The department also exceeded its target for the survival rate of supported businesses, with 42 percent remaining in business over a three-year period.

To help create conditions for long-term economic development, INAC ordered an independent comprehensive review of Aboriginal financial institutions[1] Canada-wide to ensure they can effectively deliver the department's suite of small business programs. INAC can then focus on support for medium- to large-scale businesses. The department also delivered various training programs to the institutions to extend their services' scope and reach to Aboriginal entrepreneurs across Canada.

As part of its focus on medium-sized and large businesses, INAC arranged capital with larger credit unions for two additional loan loss reserves.[2] This step helped to make mainstream capital loans available to Aboriginal businesses on reserves. There are now seven such arrangements and INAC continues to focus on its collaboration with credit unions to make more business loans available through this mechanism.

The Major Resource and Energy Development Investments Initiative supported 21 projects totalling $3.7 million and $8.7 million in investment funds. The 21 projects are in eight provinces and territories for a range of projects, including hydro generation and transmission, wind, biomass, oil and gas, and pipelines.

[1] For more information on Aboriginal financial institutions, please see www.ainc-inac.gc.ca/ecd/ab/abc/brf/h_ab00155-eng.asp.

[2] A loan loss reserve is a financial instrument that offsets a portion of a commercial lender's potential losses and creates an incentive for the financial institution to provide loans to businesses that would otherwise fall below the lender's standard for acceptable risk.

PROGRAM ACTIVITY: COMMUNITY INVESTMENT

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
172.2	170.1	88.9	50.0	75.7	25.7

The difference between Total Authorities and Actual Spending primarily reflects the carry-forward to future years of funding for loans and guarantees of loans through the Indian economic development account.

This program activity helps communities to identify and activate economic potential, resulting in more community employment, greater use of land and resources under community control, enhanced community economic infrastructure, more and larger community businesses, and a better environment for community economic development.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Economic development benefits for First Nation and Inuit communities are identified and pursued[a]	Number of opportunities supported through the Community Economic Opportunity Program that result in increased community employment and increased wealth generation[b]	290 funded projects	Exceeded	Funded 311 projects (202 recipients) through the Community Economic Opportunity Program
	Number of First Nation and Inuit institutions across Canada delivering economic development training, advisory and support services	Baseline needs to be established before targets can be established	Not available	In progress. Began gathering baseline data
First Nation and Inuit community economic institutions have capacity to support community economic planning	Number of First Nation and Inuit communities that have developed and implemented, or are implementing an economic plan	505 First Nation and Inuit communities or tribal councils	Met	505 recipients developed an economic development plan

[a] For improved clarity, this expected result has been reworded slightly compared with the *2009–2010 Report on Plans and Priorities*.

[b] This performance indicator and target were modified because a change in the socio-economic components of the Community Well-being Index cannot be directly attributed to INAC's Economic Development programming.

Performance Analysis

Community investment programming continued to encourage proactive economic development planning by First Nation and Inuit communities and improve their access to quality professional support and advisory services. In keeping with Federal Framework principles, and the results of program evaluation and analysis, the department is pursuing a partnership-based, opportunity-driven approach for its new integrated suite of programs. The aim is to strengthen program governance, enhance performance measurement capacity, and address communities' ongoing and evolving needs. Improved measurement capacity will enable the program to respond rapidly where adjustments are required. The 2009 evaluation of INAC's Economic Development Programs recommended the development of a performance measurement strategy that integrated community economic development programming (CEDP). While the Framework's performance measurement strategy captures some elements of this type of programming, a more detailed strategy will be created once the program has been revitalized.

In 2009–2010, INAC helped more than 200 communities pursue economic opportunities with investments of over $20 million. This is a significant increase over the 2008–2009 result of 150 recipients with investments of $11.3 million.

PROGRAM ACTIVITY: COMMUNITY INFRASTRUCTURE

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1,327.6	1,299.9	1,294.7	110.0	226.3	116.3

The difference between Planned Spending and Total Authorities primarily reflects reallocations to address pressures in other program activities (notably education and social development programs and services), partially offset by increased funding provided for fuel price increases and the First Nation Infrastructure Fund (FNIF). The difference between Total Authorities and Actual Spending primarily reflects the impact of the short construction season and weather in the implementation of FNIF projects, resulting in reduced expenditures; funding for FNIF that was not required in 2009–2010 will be reprofiled to 2010–2011, when it will be available for the intended purpose.

This program activity includes the Capital Facilities and Maintenance Program, which provides funding to First Nations to build and maintain housing and community facilities, such as drinking water supply, wastewater treatment and community buildings. Additional support is provided through FNIF.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
First Nation communities have a base of infrastructure that protects health and safety and enables engagement in the economy	Percentage of First Nation community infrastructure assets in compliance with generally accepted standards	80% by 2011	Data is not available (performance measurement strategy implementation in progress)	Revised targets and indicators are being developed under a new performance measurement strategy, because the current indicator does not permit adequate measurement against the 2011 target.
	Percentage of First Nation communities with acceptable water and wastewater facility risk ratings (i.e., not high-risk)	85% of systems will be either low- or medium-risk by March 31, 2010	Exceeded	94% of water or wastewater systems in First Nation communities were ranked as low- or medium-risk as of March 31, 2010

Performance Analysis

In 2009–2010, the department, in partnership with First Nation representatives, stakeholders and other federal partners, began to examine ways to better support First Nations' access to alternative sources of financing, as well as approaches to improve the life-cycle management of capital assets.

INAC also reviewed its policies and procedures for the construction and management of education facilities. The results will be used to increase technical and management expertise and improve program performance and accountability. These measures will help ensure that students in First Nation communities have safe and healthy learning environments. The department developed a national formula for establishing priorities for school funding, and drafted updated standards for school facilities.

In early 2010, INAC began a comprehensive evaluation of the government's support of housing in First Nation communities. The evaluation found that while there have been some improvements in housing conditions, on-reserve homes still have significant challenges with overcrowding and the need for major repairs compared with homes off reserves. The evaluation also identified challenges with governance, capacity and efficiency. The findings of this evaluation will inform future policy and program development.

Did you know?

The ecoENERGY for Aboriginal and Northern Communities Program continued to strengthen partnerships with provincial and territorial governments, other federal departments, and Aboriginal communities and organizations. Through these partnerships, the program was able to fund 30 renewable energy, energy efficiency and community energy planning projects. Eleven of these projects introduced energy efficiency and renewable energy measures into community buildings and schools. These measures will bring communities almost immediate benefits in the form of lower energy and heating costs. In addition, the program established a Departmental Off-Grid Communities Framework and working group. Together with funded energy projects, these mechanisms will lead to improved energy efficiency and energy security in Aboriginal and northern communities.

Through the First Nations Water and Wastewater Action Plan, INAC in partnership with Health Canada, continued to work successfully with First Nation communities to improve members' access to safe drinking water. As of March 31, 2010, 94 percent of water or wastewater systems were ranked as low- or medium-risk, exceeding the target of 85 percent. A National Assessment of Water and Wastewater facilities in First Nation communities began in 2009, with a final report expected in early 2011. The department completed 264 Phase I site visits in 2009–2010. INAC and Health Canada are also continuing development of a legislative framework for drinking water and wastewater in First Nation communities.[1]

[1] For more information on:
- the 2009–2010 assessment of First Nation water and wastewater systems, please see www.ainc-inac.gc.ca/enr/wtr/nawws-eng.asp;
- the legislative framework, please see www.ainc-inac.gc.ca/enr/wtr/h2o/index-eng.asp; and
- First Nations water and wastewater, please see www.ainc-inac.gc.ca/enr/wtr/index-eng.asp

THE NORTH STRATEGIC OUTCOME

The people of the North are self-reliant, healthy, skilled and live in prosperous communities

INAC fulfils the federal government's constitutionally mandated responsibilities in Canada's three northern territories: Nunavut, the Northwest Territories and Yukon. The department carries out its vital role for the people of the North and all Canadians through partnerships with territorial governments, Aboriginal groups, non-Aboriginal Northerners, the private sector and other stakeholders. The Government of Canada is committed to helping the North realize its true potential as a healthy, prosperous and secure region within a strong and sovereign Canada.

Lessons Learned

In situations involving legislative change, the department has learned it is essential to engage Aboriginal organizations and other stakeholders early in the process. Early engagement allows all affected parties to gain a clear understanding of the scope of the legislative exercise, and of their expectations regarding timing and their own participation in the process.

Benefits to Canadians

In July 2009, the government formally announced its integrated approach for the North — the Northern Strategy.[1] Through the department's work to promote the Strategy's four pillars — strengthening Canadian sovereignty, protecting the environment, promoting economic and social development, and improving northern governance — Northerners and all Canadians are enjoying greater prosperity and gaining political authority. At the same time, Canada's circumpolar interests are being advanced; and scientific research continues to provide a knowledge base that supports the health of communities and people, and aids in the advancement of sustainable development. The development of the North's land and resources continues to proceed in an environmentally sustainable manner. The creation of the Canadian Northern Economic Development Agency (CanNor) in August 2009 and the Northern Project Management Office, formed as part of the Agency, will help to build on the sound economic development foundations laid by INAC in the North and further promote economic growth and diversification across the three territories.

[1] For more information on the Northern Strategy, please see www.ainc-inac.gc.ca/ai/mr/is/n-strat-eng.asp.

INAC is factoring several lessons learned from both domestic and international benchmarking, and its own delivery of the Arctic Research Infrastructure Fund, into the design of the new Canadian High Arctic Research Station. These lessons include the value of green approaches to building and operating in the North; the constraints on northern construction and related effects on building costs; and the benefits of new science infrastructure on the overall northern research enterprise.

The Food Mail Program review and evaluation informed the design and development of a new food retail subsidy model — Nutrition North Canada — which is slated for implementation on April 1, 2011.[1] The market-driven model will be a sustainable, efficient, cost-effective and transparent means of helping Northerners access nutritious food in eligible, isolated northern communities. The list of eligible items, based on Canada's Food Guide, has been revised to focus subsidy funding on the most nutritious perishable foods and access to commercially produced traditional foods in the North will be increased. The provision for personal orders will be retained to preserve a measure of competition for northern retailers and provide consumers with flexibility related to special dietary needs. Northerners will have a direct voice in the program through the creation of an external advisory board that will provide advice related to program management and effectiveness, ensuring greater efficiency and transparency.

[1] For more information about the review of the Food Mail Program, please see www.ainc-inac.gc.ca/ai/mr/nr/j-a2009/nr000000301-eng.asp. For the summative evaluation report of the Food Mail Program, please see www.ainc-inac.com/ai/arp/aev/pubs/ev/fmp/fmp-eng.asp.

PROGRAM ACTIVITY: NORTHERN GOVERNANCE

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
22.0	17.1	16.8	29.0	28.9	-0.1

The difference between Planned Spending and Total Authorities is primarily due to the relocation to high-priority items for the North strategic outcome.

This program activity strengthens northern governments for all Northerners through the devolution of provincial-type responsibilities for the land and natural resources, effective intergovernmental mechanisms, and the management of strategic issues. It also strengthens intergovernmental co-operation, domestically and internationally, on circumpolar issues.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Devolution of governance for northern land and resources	Completion of devolution phases in the Northwest Territories (N.W.T.) and Nunavut against the 5-phase devolution process (protocol, agreement in principle, final agreement, legislation and implementation)[a]	N.W.T.: Complete Phase 2 by March 31, 2011 Nunavut: Target to be set once a federal negotiating mandate has been obtained[b]	Somewhat met	N.W.T.: Phase 2 target date likely achievable, given resumption of negotiations table Nunavut: a federal negotiating mandate is needed as a first step
Canadian interests are reflected in national and international circumpolar co-operation activities	Number/Percentage of Canadian priorities advanced through activities under Arctic Council and Canada–Russia co-operation	100%	Mostly Met	80% met and work continues Completed Canada's input through Arctic Council's Senior Arctic Official's Report to Ministers and Tromsø Declaration[c] Implemented INAC–Russia Memorandum of Understanding work plan

[a] For improved clarity, this performance indicator has been reworded slightly compared with the *2009–2010 Report on Plans and Priorities*.

[b] Until capacity and mandate issues are addressed, it is not possible to estimate the number of years to achieve full devolution in Nunavut.

[c] For the Tromso Declaration, please see http://arctic-council.org/filearchive/Tromsoe%20Declaration-1.pdf.

Performance Analysis

INAC continued to support negotiations for devolution of responsibilities to the governments of the Northwest Territories and Nunavut. In the movement toward the signing of an agreement in principle, bilateral negotiations resumed with the N.W.T. government and a meeting was held with Aboriginal groups on the key elements of the negotiations. In Nunavut, the department held three exploratory meetings with the territorial government and Nunavut Tunngavik Incorporated. A tripartite working group began work on options for addressing human resource capacity gaps related to resource management functions.

Working with other federal, territorial and Aboriginal partners, the department negotiated with international partners to ensure Canada's priorities and interests were reflected in the Arctic Council Ministerial Tromsø Declaration[1] and the Senior Arctic Official Report to Ministers. INAC also pursued Canadian interests through its Memorandum of Understanding with the Russian Federation by sharing best practices in Aboriginal ecotourism, corporate social responsibility and northern trade.[2]

[1] For the Tromsø Declaration, please see http://arctic-council.org/filearchive/Tromsoe%20Declaration-1.pdf.

[2] For more information on Canada's circumpolar activities, please see www.ainc-inac.gc.ca/nth/cl/index-eng.asp.

PROGRAM ACTIVITY: HEALTHY NORTHERN COMMUNITIES

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
133.2	129.2	121.0	14.0	25.3	11.3

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided for the Food Mail Program to deliver healthy foods to isolated communities, partly offset by funding for Arctic research infrastructure. (*Note:* Arctic research infrastructure was included under Planned Spending in this program activity, but its Authorities and Actual Spending are reflected under the Northern Land and Resources program activity.) The difference between Total Authorities and Actual Spending relates primarily to reduced funding required for the Food Mail Program.

This program activity supports improvements to Northerners' health and well-being through grants for hospital and physician services for First Nation and Inuit residents in the Northwest Territories and Nunavut. It also supports the transportation of nutritious foods and other essential items to isolated northern communities at reduced rates; and research into the sources and effects of contaminants on the Arctic food chain.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Northerners have access to products, services and information to enhance community health and their understanding of environmental risks[a]	Percent decrease in concentrations of previously identified contaminants in northern wildlife and among northern populations	5% reduction in 1990 levels by March 31, 2014[b]	Met	Exceeded in all cases except mercury. Since 1990: • 42% decrease of previously detected persistent organic pollutants (POPs) in Arctic biota • 32% increase of mercury in Arctic biota (a global agreement on mercury is required to turn this trend around) • 61% decrease of previously detected POPs • 52% decrease of mercury in Northerners
Nutritious perishable foods and other essential items are available to northern communities at reduced prices	Average percent difference in the weekly cost of the nutritious perishable food component of a healthy diet between isolated northern communities and southern cities as a result of the Food Mail Program[c]	95%±10%	Exceeded	82% average difference in weekly cost, an improvement over the approximately 95% average of previous years

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
	Estimated reduction in weekly cost of the nutritious perishable foods for a healthy diet for a family of four as a result of the Food Mail Program	$40 (minimum) and $770 (maximum)	Exceeded	Estimated reduction in the weekly cost ranged from $38 to $870

[a] For improved clarity, this expected result has been reworded slightly compared with the *2009–2010 Report on Plans and Priorities*.

[b] Performance summary numbers reflect percentage of reduction to date.

[c] This performance indicator has been added to support the departmental performance story.

Performance Analysis

The Northern Contaminants Program supported northern scientific studies that provided new knowledge on ways to improve health in northern communities. In addition, the Northern Scientific Training Program funded 397 students to research a broad range of Arctic-related topics in the North.

The decrease in persistent organic pollutant (POP) concentrations in traditional foods has reduced contaminant-related health risks among Northerners and demonstrates that global action on POPs (i.e., the Stockholm Convention) is working. While a shift away from traditional foods may have further lowered levels of contaminant exposure, the decreased consumption of traditional foods may lead to poorer nutrition and increased food insecurity.

To alleviate nutrition concerns, the Food Mail Program delivers nutritious perishable foods to isolated northern communities at reduced, relatively uniform prices. The Food Mail Program pilot projects examined the impact of the subsidy on food prices and consumption, and found that lower prices from increasing the subsidy led to greater consumption of the targeted foods.[1]

[1] For more information on the Food Mail Program pilot projects, please see www.ainc-inac.gc.ca/nth/fon/pubs/ac/ac-eng.asp.

PROGRAM ACTIVITY: NORTHERN LAND AND RESOURCES

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
169.8	224.9	222.0	285.7	356.8	71.1

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided for the Federal Contaminated Sites Action Plan and Arctic research infrastructure. (*Note:* Funding for Arctic research infrastructure was included under planned spending in the Healthy Northern Communities program activity.)

This program activity supports the sustainable development and regulatory oversight of the North's natural resources, including mineral development and mining, as well as oil and gas development, both onshore and offshore. It emphasizes improved stewardship and environmental management of land and water resources on behalf of all Canadians, and Northerners in particular.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Sound stewardship of land and resources	Mineral sector interest in the North	5,700 mineral claims by March 31, 2010	Exceeded	12,422 claims in good standing at fiscal year-end
	Number of new hectares brought under protection[a]	10 million hectares by March 31, 2010	Exceeded	12,585,000 ha (or 125,850 km²) of land protected through interim land withdrawal for conservation purposes An additional 694,000 ha (6,940 km²) are under permanent land withdrawal 13,279,000 ha (132,790 km²) under land withdrawal for conservation purposes
Contaminated sites managed to ensure the protection of human health and environmental safety	Number of contaminated sites remediated and number of sites at steps 8–10 of the 10-step Contaminated Sites Action Plan	11 sites remediated, 30 at steps 7–10 by March 31, 2010	Mostly met	Completely remediated 16 sites and undertook remediation (steps 7–9) at 27 sites, including 5 in Nunavut, 18 in N.W.T. and 4 in Yukon as of March 31, 2010 (under the Northern Contaminated Sites Program) Created job opportunities for Northerners through remediation efforts

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Land and resource development for oil and gas	Number of hectares under oil and gas exploration licence (based on a five-year moving average)	3 million hectares by March 31, 2010	Exceeded	5,456,103 ha under oil and gas exploration licence (this increase is not due to new lands being issued, but to the removal of five-year-old lower results from the rolling average)

[a] For improved clarity, this performance indicator has been reworded slightly compared with the *2009–2010 Report on Plans and Priorities*.

Performance Analysis

Based on the number of mineral claims in good standing, mineral interest in the North has increased. However, mineral exploration expenditures in the Northwest Territories and Nunavut were 11.1 percent of total Canadian expenditures, below both the target of 15 percent and the 2008 figure of 17.7 percent. Expenditures in the territories dropped with the 2008 collapse in commodity prices and the higher relative cost of exploration in the North. Exploration should rebound with the rise in commodity prices. Total area under claim or lease 12.1 million hectares, versus target of 13 million.

INAC contributed to the government's response to the Joint Review Panel environmental assessment on the Mackenzie Gas Project. The department also developed an action plan to improve predictability and clarity of the northern regulatory regimes. This action plan reflects a majority of the recommendations in Neil McCrank's report, *Road to Improvement*.[1]

For the two-year feasibility study for the Canadian High Arctic Research Station, the department focused on benchmarking, consultation with stakeholders, including the three potential host communities, and the development of the infrastructure and program requirements.

INAC's Climate Change Adaptation Program continued to strengthen existing partnerships. The department funded over 30 projects enabling Aboriginal and northern communities to set priorities for developing and implementing required measures for climate change adaptation.

[1] For Neil McCrank's report, please see www.reviewboard.ca/upload/ref_library/1217612729_ri08-eng.pdf.

PROGRAM ACTIVITY: NORTHERN ECONOMY

	2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
	Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
Indian and Northern Affairs Canada	22.0	15.1	1.9	7.8	40.3	32.5
Canadian Northern Economic Development Agency	n/a	47.7	39.6[a]	n/a	106.0	n/a
Total	**22.0**	**62.8**	**41.5**	**7.8**	**146.3**	**32.5**

Note: Due to rounding, figures may not add to totals shown.

[a] CanNor was created on August 18, 2009 and received CEAP funding through the Budget Implementation Act, resulting in funding transfers from INAC and new funding authorities. These CEAP authorities included funding for contributions, statutory amounts, and activities for establishing CanNor and its offices. CanNor was created late in the second quarter of the year. Consequently, there are no planned spending figures to report for the Agency. CEAP authorities for 2009-10 amount to $35.4 million. CanNor had only seven months to deliver 12 months of programming, so actual expenditures amount to $25.7 million. The reprofile request for the outstanding variance of $9.7 million is pending approval.

Indian and Northern Affairs Canada

The difference between Planned Spending and Total Authorities primarily reflects the transfer of funding to the Canadian Northern Economic Development Agency offset by the carry-forward from previous years of funding for various loan authorities. The difference between Total Authorities and Actual Spending primarily reflects the carry-forward to future years of funding for loan authorities.

Canadian Northern Economic Development Agency

On August 18, 2009, Order in Council P.C. 2009-1423 created the Canadian Northern Economic Development Agency. Under the Order in Council, INAC transferred the activities and funding under its Northern Economic Development Branch to the new agency. Actual spending of $39.6 million reflects expenditures for the period from August 18, 2009, to March 31, 2010.

CanNor is a key component of the government's Northern Strategy as it strives to align federal investments and activities in the North for maximum advantage. Using the economic development foundations laid by INAC in the three northern territories, CanNor delivers the renewed Strategic Investments in Northern Economic Development (SINED) program. CanNor is also the lead federal delivery agent for key programs under Canada's Economic Action Plan and INAC's suite of northern Aboriginal economic development programs. In addition, CanNor carries out policy development, research, advocacy and promotion of co-ordinated federal responses to challenges

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Northerners have resources and support to capitalize on economic development and opportunities	Number of strategic territorial investment plans	Three by March 31, 2010	Met	Approved investment plans under SINED's Targeted Investment Program for each territory 58% of Targeted Investment Program total came from mining/geoscience, tourism and capacity development
Strategic investments in economic development	Percentage of projects progressing on track	100% as of March 31, 2010	Met	All 69 SINED-funded projects (11 multi-year and 58 one-year projects) are on track
Strategic investments in innovation and partnerships	Percentage of projects progressing on track	100% as of March 31, 2010	Met	Investments made in innovation across economic sectors, as well as in enabling technologies such as broadband Many SINED investments include a strong focus on innovation Most projects involve partnerships

facing the northern economy. The agency was chosen to oversee the Northern Projects Management Office, a new service dedicated to working with the proponents of development projects to navigate regulatory processes in the three territories.

Performance Analysis

In 2009–2010, CanNor supported some 202 projects across all program activities and invested over $32 million in northern economic development and infrastructure. Agency staff developed five-year investment plans for the SINED program in collaboration with partners and stakeholders. Investment plans covered the mining and exploration sectors, tourism, cultural industries, oil and gas, renewable energy, and forestry, as well as entrepreneurial capacity, economic infrastructure, broadband and innovative technologies. These investment plans resulted in 69 projects in all three territories, totalling over $8 million in funding.

To respond to skills gaps that are preventing development in many sectors and northern regions, CanNor developed a memorandum of understanding with Human Resources and Skills Development Canada to co-ordinate program delivery in the three territories and better align program investments.

CanNor also led the delivery of the Community Adjustment Fund and the Recreational Infrastructure Canada Program in the three northern territories. Details on the delivery of these programs in the North are discussed in relation to Canada's Economic Action Plan on page 84.

THE OFFICE OF THE FEDERAL INTERLOCUTOR STRATEGIC OUTCOME

Improved socio-economic conditions of Métis, Non-Status Indians and urban Aboriginal people

The Office of the Federal Interlocutor (OFI) partners with other federal departments, local, provincial and territorial governments, Aboriginal representative organizations, and community leaders to raise awareness about the circumstances of Métis, Non-Status Indians and urban Aboriginal people. The Office's efforts also aim to create opportunities to support their greater participation in the Canadian economy and society. OFI strengthens the Government of Canada's relationship with national Aboriginal organizations that represent these groups, including the Congress of Aboriginal Peoples and the Métis National Council. The Office also participates in negotiations with these organizations and the provinces, and co-ordinates the Urban Aboriginal Strategy. Moreover, OFI continues to work with non-profit, representative Aboriginal organizations that have substantial Métis memberships to develop membership systems in line with the Supreme Court's direction. OFI is seen as the centre of expertise within government for research relating to the off-reserve Aboriginal population.

Benefits to Canadians

With more than half (54%) of Aboriginal people in Canada now living in urban areas — a percentage expected to rise — the Urban Aboriginal Strategy helps urban Aboriginal people to take advantage of economic opportunities in Canada's urban centres, strengthening Canada's economy as a whole. In addition, support for Métis membership systems helps the Crown to realize its legal duty to consult potential rights-bearing Métis communities and reconcile Métis Aboriginal rights with Canada's overall governance structure. Support for membership systems similarly highlights respect for those rights as fundamental elements of a just, fair and respectful Canadian federation. By enabling Métis, Non-Status Indian and urban Aboriginal people to realize their full socio-economic potential within Canadian society, INAC continues to contribute to a stronger, more inclusive nation.

Lessons Learned

OFI's development of relationships with other government departments, provinces and Aboriginal groups is key to improving the socio-economic conditions of Métis, Non-Status Indian and urban Aboriginal people, which leads to joint initiatives. For example, INAC and the province of Saskatchewan co-hosted the off-reserve Aboriginal Education colloquium in March 2010. INAC also hosted the Métis Economic Development Symposium in December 2009. These events provided Aboriginal people the opportunity to influence programs and policies affecting them.

OFI has a small budget relative to INAC and the other 33 federal departments and agencies involved in Aboriginal programming. OFI has learned to maximize its partnership opportunities among federal partners and Aboriginal communities through developing and implementing tools and supports, such as the Urban Aboriginal Strategy's horizontal action plan and Community Assessment Tool. Key among OFI's partners are the provinces, because the federal government does not have exclusive responsibility for OFI's off-reserve clientele, unlike INAC's on-reserve clients (for instance, off-reserve Aboriginal education is a provincial responsibility). Close co-operation with the provinces is essential in the Office's efforts to close the socio-economic gap between Aboriginal people and other Canadians.

In developing and implementing Urban Aboriginal Strategy community action plans, as well as implementing the Métis National Protocol, OFI found that the Aboriginal organizations it was dealing with continued to struggle with capacity and lack of financial expertise. OFI continues to work with these organizations and INAC Finance on this high-risk issue and will address it in 2010–2011 by:

- developing flexible arrangements for financial and in-kind contributions;
- investing nearly $2 million in capacity building;
- facilitating provincial and municipal Urban Aboriginal Strategy contributions;
- focusing Métis, Non-Status Indian and urban Aboriginal capacity funding on financial management;
- adopting targeted auditing procedures; and
- ensuring strict application of funding eligibility.

PROGRAM ACTIVITY: URBAN ABORIGINAL STRATEGY

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
13.3	16.6	16.6	34.0	33.9	-0.1

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided for the Vancouver 2010 Olympic and Paralympic Winter Games Aboriginal Pavilion.

The Urban Aboriginal Strategy (UAS)[1] was developed in 1997 to help respond to the needs of Aboriginal people living in urban centres. It aims to promote self-reliance and expanded life choices. When the strategy was renewed in 2007, it placed a stronger emphasis on the economic participation of Aboriginal people.

The renewed UAS strengthens the alignment of expenditures across federal organizations and with provincial and municipal programming directed toward urban Aboriginal people in key centres. In this way, it both advances federal objectives and responds effectively to local challenges and opportunities.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Economic participation, self-reliance and expanded life choices for Aboriginal people in urban centres	Socio-economic conditions of Métis, Non-Status Indians and urban Aboriginal people in Urban Aboriginal Strategy (UAS)–designated cities (as indicated by educational attainment, employment, average total income)	Improved socio-economic conditions of Métis, Non-Status Indians and urban Aboriginal people by 2011	Somewhat met	On target, based on preliminary analysis of Statistics Canada's data for 2001 and 2006 as indicated in UAS Community Profiles.
		Obtained dollar-for-dollar funding through relationships with other federal departments and provincial and municipal governments	Exceeded	Received over $3 million from other federal departments toward UAS projects, and nearly $15 million from non-federal partners

[1] For more on the UAS, visit www.ainc-inac.gc.ca/ai/ofi/uas/index-eng.asp.

Performance Analysis

INAC strengthened effective interdepartmental and intergovernmental co-operative relations with Métis, Non-Status Indian and urban Aboriginal organizations. With the help of these partnerships, INAC invested $12.1 million through the UAS in 2009–2010 to address urban Aboriginal priorities in 13 designated cities. INAC obtained over $3 million from other federal departments and agencies, and nearly $15 million from non-federal government partners.

INAC continues to make progress working with other government departments and Regional Federal Councils,[1] on projects such as the Edmonton Aboriginal Transition Initiative and the development of a regional Active Measures Initiative to address life skills and employability. INAC is working closely with Treasury Board Secretariat's Centre of Expertise in Grants and Contributions on identifying administrative barriers to horizontality within the federal government.

[1] The Regional Federal Councils comprise the senior officials for the federal departments and agencies in each province and territory. For more information, see www.tbs-sct.gc.ca/fcer-cfre/rfc-cfr/rfc-cfr-eng.asp.

PROGRAM ACTIVITY: MÉTIS AND NON-STATUS INDIAN ORGANIZATIONAL CAPACITY DEVELOPMENT

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
14.6	17.6	16.2	23.0	25.8	2.8

The difference between Planned Spending and Total Authorities primarily reflects increased demand for capacity development funding.

INAC maintains bilateral and tripartite relationships with Métis and Non-Status Indian organizations. These relationships are guided by the Métis Nation Protocol with the Métis National Council and the Political Accord with the Congress of Aboriginal Peoples. OFI helps groups that represent Métis and Non-Status Indians develop their organizational and professional capacity so that they can build effective partnerships with federal and provincial governments and with the private sector. These partnerships allow recipient organizations to participate fully in federal and provincial initiatives, maintain political relationships with the federal government, strengthen their membership systems, and improve financial and electoral accountability. Strengthened capacity enhances recipient organizations' ability to meet the federal government's requirements for financial management, financial controls and risk management, and seek viable means to raise their own revenues.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Métis and Non-Status Indian organizations that engage with the private sector and all levels of government	Percentage of successful audits	60% in 2009–2010	Exceeded	71% of recipient financial compliance audits deemed successful (5 out of 7)
	Submitted and approved work plans and activity reports	60% in 2009–2010	Exceeded	100% of OFI-funded projects submitted approved work plans and over 60% provided approved activity reports Final 2010 audits are due in the fall

[48] For more information on CEAP Aboriginal and northern investments, please see www.ainc-inac.gc.ca/ai/arp/bg09/ano-eng.asp.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Métis and Non-Status Indian organizations that advocate on behalf of their constituents	Percentage of reported results that comply with work plans	60% compliance with work plans by the next program evaluation in 2012–2013	Met	More than 60% compliance of reported results with work plans, and financial and progress report completion (excludes audited financial statements compliance due July 2010)

Performance Analysis

Significant progress in implementing the Métis Nation Protocol included the launch of a Métis National Council online portal for Métis veterans, the Métis exhibit at the Juno Beach Centre in Normandy, France, and the presence of provincial ministers, five Métis National Council affiliates and industry representatives at the Métis Economic Development Symposium hosted by INAC. INAC also worked with the Congress of Aboriginal Peoples' new leadership in improving the organization's governance.

OFI supported 114 projects enhancing organizations' ability to represent their members in federal policies and programs, be accountable for public funds, and function as stable and transparent organizations representing their constituents. OFI also continued to develop and implement federal–provincial–Aboriginal strategies to support increased economic development capacity of Métis and Non-Status Indian groups.

Did you know?

In the area of education and research, a key activity in 2009–2010 was the Colloquium on Improving the Educational Outcomes of Aboriginal People Living Off-Reserve, sponsored by OFI and the Saskatchewan Ministry of Education. This colloquium brought together Métis and Non-Status Indian organizations, governments, academics and practitioners, to build partnerships to address critical issues in this area. A key recommendation for future policy and program development was that students and communities must feel an attachment to their schools if a strategy is to succeed.

PROGRAM ACTIVITY: MÉTIS RIGHTS MANAGEMENT

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (FTEs)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
12.1	8.5	8.0	9.0	4.0	-5.0

Some of the difference between Planned Spending and Total Authorities is due to a decreased need for legal analysis, the unforeseen delay in some multiparty research projects, and the capacity of some of the Métis and Non-Status Indian organizations to front the start-up costs of the projects. The remaining difference is due to funding that was transferred from Métis Rights Management to Organizational Capacity for Métis and Non-Status Indians for more research on socio-economic gaps and to address financial accountability issues. Given the cross-cutting nature of these two program activities, they are funded under the same authority with approximately 10 FTEs in total working directly under this program activity.

The Government of Canada implemented this program activity in response to the 2003 Supreme Court of Canada's *Powley* decision, which affirmed that Métis people may hold section 35 Aboriginal rights under the Canadian Constitution. OFI works with non-profit, representative Aboriginal organizations that have substantial Métis memberships to develop objectively verifiable membership systems for Métis members and harvesters.

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Respect for the Aboriginal rights of Métis under section 35	Number of Métis harvesters identified (of potential rights-bearing communities)	The development of targets relating to the number of harvester membership systems applying objectively verifiable criteria by March 31, 2010	Met	Established the target to develop three membership systems ready to be objectively verified by March 31, 2015
	Level of public awareness of Métis Aboriginal rights issues	Creation of baseline data in relation to the public awareness of Métis rights by March 31, 2010	Not met	Planning the development of trend tracking tools for 2010–2011 to conduct media analysis of public reaction around Métis harvesting and consultation issues, including court decisions and provincial harvesting agreements

Performance Analysis

The 2009–2010 priorities of this program activity were to renew ongoing policy authorities and revise the strategy for management of Métis Aboriginal rights. In addition, work continued with recipient organizations to build on strengths and remedy weaknesses in their membership systems identified by a third-party evaluation in 2008–2009. Membership systems provide a basis for membership representation and increase credibility and transparency for money spent; and reinforce federal and provincial partners' confidence in Métis organizations.

To further both Métis Aboriginal rights and the Federal Action Plan on Consultation and Accommodation, OFI participated in a second round of discussions with selected Métis and Non-Status Indian groups from across Canada. In addition, OFI commissioned research on consultation as it relates to Non-Status Indian communities in Eastern Canada. It also helped fund a conference on the duty to consult organized by the University of Alberta to advance common understanding of this issue. The workshops explored current best practices on consultation and identified short- and long-term strategies. These findings can help inform the federal government's policy approach to consultation and accommodation.

PROGRAM ACTIVITY: INTERNAL SERVICES

An effective and responsibly managed and operated department positioned to achieve its strategic outcomes

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (full-time equivalent)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
358.8	513.1	501.1	2,617.4	2,642.1	24.7

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided for out-of-court settlements, the operating budget carry forward and compensation adjustments. The difference between Total Authorities and Actual Spending primarily reflects operating resources to be carried forward to 2010-11.

Performance Analysis[1]

In 2009–2010 Internal Services refined and enhanced the department's management and corporate services to support INAC's strategic outcomes. This work included intergovernmental co-ordination of Aboriginal policies and programs.

"Measuring What Matters" reflects INAC's continued efforts to strengthen evidence on program outcomes and engage senior officials and program managers in identifying information integral to results. To advance understanding and develop benchmarks for departmental efforts around recipients' reporting, INAC completed a preliminary survey for the planned audit of recipient reporting burden in December 2009. This preliminary survey sets out four key conclusions to maintain the department's progress, including the importance of implementing performance measurement strategies. The new Policy on Transfer Payments is at the heart of INAC's change in focus for reducing reporting burden. Instead of concentrating on surveys and inventory, the department is looking at the reporting requirements of transfer payments. In 2010, INAC established a new senior position to open dialogue on reporting burden and consider ways to lessen it while at the same time reinforce accountability.

Since 2007–2008, INAC has been investing in its business intelligence/enterprise data warehouse capacity to integrate key departmental data (e.g., financials, human resources, program data, performance measures); the goal is to support more informed decision-making at all levels of the department. Progress on key business intelligence solutions continued this year with further enhancements, including the addition of accounts payable, salary information from the salary management system, and reports to track INAC's investments under Canada's Economic Action Plan.

The Chief Financial Officer (CFO) Sector continued to move to a model that better supports the Deputy Minister as the accounting officer for the department. This work included the initiation of the financial management advisory model. Every sector now has at least one direct link to the CFO sector for many purposes, including budgeting and forecasting.

[1] For detailed reporting against expected results provided in INAC's *2009-10 Report on Plans Priorities*, please visit http://www.ainc-inac.gc.ca/ai/arp/es/0910/dpr/is-eng.asp

To improve the quality of information and accountability for results, in 2009–2010 INAC continued to build on its tools and processes to enhance the quality of its Treasury Board submissions. As a result, INAC improved its Management Accountability Framework rating for Quality of Treasury Board Submissions from "opportunity for improvement" to "acceptable" in 2010.

INAC contributed to and participated in key international forums, such as the United Nations Permanent Forum on Indigenous Issues. This gave the department an opportunity to learn about emerging trends, and to present factual and balanced information to international audiences on Canadian approaches. In addition, INAC formalized a strategic partnership with the U.S. Department of the Interior, through an MOU signed on March 29, 2010, aimed at pooling best practices that can contribute to departmental policy and program development in key priority areas.

As part of INAC's effort to improve the co-ordination of Aboriginal programming and policies across the federal government, the department consolidated reporting on Aboriginal initiatives under Canada's Economic Action Plan (CEAP). In 2009–2010, INAC released four consecutive reports, outlining progress and highlighting expected results, timeframes and investment levels. The reports also provide information on how communities can access CEAP investments — both those designated specifically for Aboriginal/northern communities and other more general initiatives. These reports, designed to complement the government-wide Report to Canadians, are the result of extensive co-ordination among federal departments and agencies. Throughout this process, INAC encourages departments and agencies to work together to better address Aboriginal Canadians' needs and interests.[1]

Benefits to Canadians

Stronger management and effective corporate services (human, communications, technical, information, policy, legal and financial) support not only INAC's strategic outcomes, but also an improved quality of life for Aboriginal people and Northerners. Corporate services include communication with INAC's partners and all Canadians. This information helps the public to understand Aboriginal and northern issues, and to see how the department is carrying out its plans and programs.

The Centre for Integrity, Values and Conflict Resolution offered 2,198 points of service to INAC employees. These services focus on workplace well-being; compliance with and promotion of values-based behaviours; transferring knowledge and skills; and informal and effective resolution of conflicts. Research has shown that a healthy workplace where conflict is well managed and ethical behaviours are encouraged contributes significantly to employee loyalty, increases productivity, raises morale and significantly reduces absenteeism.

[1] For more information on CEAP Aboriginal and northern investments, please see www.ainc-inac.gc.ca/ai/arp/bg09/ano-eng.asp

CANADA'S ECONOMIC ACTION PLAN

($ millions)	2009–2010 Planned Spending	2009–2010 Actual Spending
Indian and Northern Affairs Canada[a]	295.5	301.2
Canadian Northern Economic Development Agency[b]	n/a	25.7
Total	**295.5**	**326.9**

[a] Reflects Planned Spending as indicated in INAC's *2009–2010 Report on Plans and Priorities* (RPP), excluding $20 million in funding set aside for the Canadian Northern Economic Development Agency. In addition, Planned Spending in the RPP did not include funding for contaminated sites or energy development in the North under Canada's Economic Action Plan as INAC did not have these details at the departmental level when the report was being prepared.

[b] CEAP funding of $20.0 million ($10.0 million for Strengthening Economic Development in the North and $10.0 million for Strategic Investments in Northern Economic Development) was included in Planned Spending in INAC's 2009-2010 Report on Plans and Priorities as CanNor did not exist when the report was being prepared.

As the lead department in the Aboriginal cluster of federal departments, INAC is involved in a range of initiatives related to Canada's Economic Action Plan that touch on many areas:

- Water and Wastewater;
- Housing;
- Schools;
- Child and Family Services;
- Contaminated Sites;
- Arctic Research Infrastructure Fund;
- Canadian High Arctic Research Station Feasibility Study; and
- Promoting Energy Development in the North.

Initiative: Water and Wastewater

Description	Alignment to Program Activity
Two-year targeted funding will provide for the completion of drinking water and wastewater infrastructure projects to address health and safety priorities, and to protect and maintain the lifespan of existing and new assets in 18 First Nation communities across the country.	The Economy strategic outcome — Community Infrastructure program activity

CEAP Spending ($ millions)

2009–2010 Planned Spending	82.5	2009–2010 Actual Spending	68.6[a]

Expected Results	Performance Indicators and Target	Performance Status and Summary
First Nation communities have a base of infrastructure that protects health and safety and enables engagement in the economy	• Number of funding agreements signed • Number of projects completed • Number of employment-hours created **Target:** 18 water and wastewater infrastructure projects completed by March 31, 2011	**Met all:** • Signed all 18 of the 2009–2010 water and wastewater funding agreements • Substantially completed one lagoon project in Manitoba • Created approximately 165,900 total employment-hours, according to First Nation reports, with 64,280 hours completed by First Nation members Target for 2011 on track

[a] $13.5 million was reprofiled to 2010–2011. A further request to reprofile $0.4 million to 2010–2011 is pending approval.

Initiative: Housing	
Description	**Alignment to Program Activity**
This two-year program will support on-reserve housing, dedicated to new social housing stock and to complementary activities. This will assist in the transition to market-based housing on reserves and address immediate housing needs, such as overcrowding and health issues, while serving as an economic stimulus for many First Nation and rural areas by generating employment and the development of skilled trades.	The Economy strategic outcome — Community Infrastructure program activity

CEAP Spending ($ millions)			
2009–2010 Planned Spending	75.0	**2009–2010 Actual Spending**	75.0

Expected Results	Performance Indicators and Target	Performance Status and Summary
First Nation communities have a base of infrastructure that protects health and safety and enables engagement in the economy	Number of units constructed, number of units renovated, number of units converted to market-based housing and number of lots serviced[a] **2009–2010 Target:** Over 2,100 units constructed, renovated or converted market based housing, and nearly 600 lots serviced	2009–2010: **Exceeded:** 200 units constructed, 2,234 renovated or converted to market-based housing, totalling 2,434 units Lot Servicing: **Mostly met:** 544 lots serviced

[a] For improved clarity, this performance indicator has been reworded slightly compared with the *2010–2011 Report on Plans and Priorities*.

Initiative: Schools

Description	Alignment to Program Activity
This initiative will provide economic stimulus to communities, generate short-term employment and business opportunities, and help to ensure that educational facilities meet existing and future educational requirements, as well as to improve student retention and graduation rates on reserves.	The Economy strategic outcome — Community Infrastructure program activity

CEAP Spending ($ millions)

2009–2010 Planned Spending	95.0	2009–2010 Actual Spending	81.8

Expected Results	Performance Indicators and Target	Performance Status and Summary
First Nation communities have a base of infrastructure that protects health and safety and enables engagement in the economy	• Number of funding agreements signed • Number of projects completed • Number of employment-hours created **Target:** 10 new school projects will be constructed and two major renovation projects will be completed by March 31, 2011	**Met all:** • All 12 of the 2009–2010 school funding agreements were signed • No school projects were completed in 2009–2010 • Created about 218,125 employment-hours, according to First Nation reports, with 64,280 hours completed by First Nations members

Initiative: Child and Family Services

Description	Alignment to Program Activity
The federal government continues to invest in new partnerships with willing provinces and First Nations in implementing a new enhanced prevention-focused approach for First Nation child and family services on reserves.	The People strategic outcome — Social Development program activity

CEAP Spending ($ millions)

2009–2010 Planned Spending	7.0	2009–2010 Actual Spending	4.0[a]

Expected Results	Performance Indicators and Target	Performance Status and Summary
This will assist in achieving better outcomes for First Nation children and families	**2009–2010 Target:** Quebec and Prince Edward Island are the next jurisdictions to move to the new approach	**Mostly met:** • Completed Prince Edward Island transition to the enhanced prevention-focused approach • Made progress on Quebec transition to the enhanced prevention-focused approach

[a] Funding provided through CEAP for the Information System is not available until Treasury Board gives Preliminary Project Approval (PPA). The PPA process did not allow for INAC to go before Treasury Board in 2009–2010, which resulted in the department requesting and receiving approval to reprofile $3.0 million to future years. INAC will be seeking PPA from Treasury Board in September 2010.

Initiative: Accelerating Action on Contaminated Sites — South of 60th Parallel

Description	Alignment to Program Activity
Site assessment and remediation/risk management activities will be conducted on federal contaminated sites under CEAP's Federal Contaminated Sites Accelerated Action Plan.	The Land strategic outcome — Responsible Federal Stewardship program activity, Environmental Management sub-activity

CEAP Spending ($ millions)

2009–2010 Planned Spending	n/a	2009–2010 Actual Spending	15.8

Expected Results	Performance Indicators and Target	Performance Status and Summary
The Government of Canada demonstrates responsible federal stewardship of the environment on reserve lands	Reduction in the number of contaminated sites south of 60° **2009–2010 Target:** 45 assessment projects and 20 remediation projects	**Exceeded:** 111 assessment projects and 160 remediation projects were completed in 2009–2010

Initiative: Arctic Research Infrastructure Fund

Description	Alignment to Program Activity
This investment will support maintaining or upgrading key existing Arctic research facilities through the Arctic Research Infrastructure Fund.	The North strategic outcome — Northern Lands and Resources program activity, Northern Science sub-activity

CEAP Spending ($ millions)			
2009–2010 Planned Spending	35.0	**2009–2010 Actual Spending**	30.1

Expected Results	Performance Indicators and Target	Performance Status and Summary
Improved infrastructure for research on the Canadian North	Number of improved research facilities completed (both upgraded and new construction) **Target:** 20 by March 31, 2011	**Somewhat met:** • Started all 20 projects, with 11 beginning construction • Incorporated green technologies into facilities' design for a number of projects • Established network of research station operators to share lessons learned and increase efficiencies

Initiative: Canadian High Arctic Research Station feasibility study

Description	Alignment to Program Activity
INAC will undertake a feasibility study for the proposed station, which will serve as the hub for existing and future scientific activity in Canada's vast and diverse Arctic region.	The North strategic outcome — Northern Lands and Resources program activity, Northern Science sub-activity

CEAP Spending ($ millions)			
2009–2010 Planned Spending	1.0	**2009–2010 Actual Spending**	1.1

Expected Results	Performance Indicators and Target	Performance Status and Summary
Improved infrastructure for research on the Canadian North	Percentage achievement of planned steps for the feasibility study for the Canadian High Arctic Research Station **Target:** 100% by October 1, 2010	**Somewhat met:** • Defined mandate, scope and scale of station • Undertook detailed analysis of the station's potential location, including consultations with the three potential host communities • Completed 60% of feasibility study

Initiative: Accelerating Action on Contaminated Sites — North of 60th Parallel			
Description		**Alignment to Program Activity**	
INAC will conduct site assessment and remediation/risk management activities on federal contaminated sites under CEAP's Federal Contaminated Sites Accelerated Action Plan. Over two fiscal years, the department will complete site assessments at 355 sites and carry out some remediation activities at the Giant Mine site.		The North strategic outcome — Northern Land and Resources program activity, Contaminated Sites sub-activity	
CEAP Spending ($ millions)			
2009–2010 Planned Spending	n/a	**2009–2010 Actual Spending**	11.1
Expected Results		**Performance Indicators and Target**	**Performance Status and Summary**
Contaminated sites are managed to ensure the protection of human health and the safety of the environment while bringing economic benefits to the North		**2009–2010 Target:** 106 assessment projects and 1 remediation project	**Met all:** • Completed 106 assessment projects in N.W.T. and Nunavut • Began the remediation project for the Giant Mine • CEAP funding in 2010–2011 will complete the Freeze Optimization Study

Initiative: Promoting Energy Development in the North

Description	Alignment to Program Activity
Activities related to the Mackenzie Gas Project (MGP) will be undertaken, including environmental assessments, regulatory co-ordination, science, Aboriginal consultations and activities related to supporting private sector oil and gas exploration and development induced by the MGP.*	The North Strategic Outcome — Northern Land and Resources program activity, Oil and Gas sub-activity

CEAP Spending ($ millions)

2009–2010 Planned Spending	n/a	2009–2010 Actual Spending	13.7

Expected Results	Performance Indicators and Target	Performance Status and Summary
Management of oil and gas resource development benefits Northerners and all Canadians	Science projects completed Management of oil and gas activity induced by the MGP **2009–2010 Target:** • Government response developed for Joint Review Panel Report • Identify and develop legislative and regulatory initiatives to support and advance the MGP	**Met all:** • Prepared interim government response to the 176 recommendations of the Joint Review Panel environmental assessment report and an Aboriginal consultation plan in collaboration with other departments • Engaged Aboriginal communities on the proposed Canada Benefit Plans • Completed science projects and prepared all MGP science conducted since 2002 for online publication

*The description of this initiative has been changed for greater clarity.

Initiative: Recreational Infrastructure Canada Program

Description	Alignment to Program Activity
The Recreational Infrastructure Canada (RInC) program is an infrastructure fund that is investing in recreational facilities across Canada over a two-year period and providing a temporary economic stimulus to reduce the impacts of the global recession, while renewing, upgrading and expanding recreational infrastructure in Canadian communities. In the three northern territories, CanNor led the delivery of this program.	The North strategic outcome — Northern Economic Development sub-activity

CEAP Spending ($ millions)			
2009–2010 Planned Spending	n/a	**2009–2010 Actual Spending**	0.4[a]

Expected Results	Performance Indicators and Target	Performance Status and Summary
The development of new and/or improved recreational infrastructure in the North and short-term employment to mitigate the impacts of the economic downturn	Identification of projects in all three territories and project activities under way	**Met all:** • 19 RInC projects completed or underway supporting local recreational infrastructure

[a] A reprofiling request has been made for $617,857 of the first year budget.

Initiative: Community Adjustment Fund

Description	Alignment to Program Activity
The Community Adjustment Fund (CAF) is providing funding over two years to address the short-term economic needs of Canadian communities affected by the global economic downturn. This national economic stimulus initiative supports projects that create jobs and maintain employment in and around communities that have experienced significant job losses and lack alternative employment opportunities.	The North strategic outcome — Northern Economic Development sub-activity

CEAP Spending ($ millions)			
2009–2010 Planned Spending	n/a	**2009–2010 Actual Spending**	14.0

Expected Results	Performance Indicators and Target	Performance Status and Summary
Projects undertaken in communities across the three northern territories, ranging from work in sectors, such as mining, tourism and fisheries, to community activities such as upgrades to community roads and bridges, reduction of wildfire fuel levels, and the removal of derelict buildings on municipal lands	Identification of projects in all three territories and project activities under way	**Met all:** 25 projects underway with funds either committed or spent.

Initiative: Strategic Investments in Northern Economic Development

Description	Alignment to Program Activity
Canada's Economic Action Plan announced funding of $90 million over five years for the renewal of Strategic Investments in Northern Economic Development (SINED). The program, delivered by CanNor, focuses on four thematic areas linked to long-term economic development: building the knowledge base; enhancing the economic infrastructure base; capacity development; and economic diversification.	The North strategic outcome — Northern Economic Development sub-activity

CEAP Spending ($ millions)			
2009–2010 Planned Spending	n/a	**2009–2010 Actual Spending**	7.9

Expected Results	Performance Indicators and Target	Performance Status and Summary
Projects are undertaken with a variety of proponents including territorial and municipal governments, First Nations, NGOs and individuals across the three northern territories, and involve work in sectors such as mining, oil and gas, geoscience, tourism, small and medium sized enterprises, renewable energy, cultural industries and capacity development.	Identification of projects in all three territories and project activities under way	**Met all:** 56 projects supported under SINED program

Initiative: Strengthening Economic Development in the North			
Description		**Alignment to Program Activity**	
Canada's Economic Action Plan announced funding of $10 million per year for five years to establish a new regional development agency for the three northern territories of Yukon, Northwest Territories and Nunavut.		The North strategic outcome — Northern Economic Development sub-activity	
CEAP Spending ($ millions)			
2009–2010 Planned Spending	n/a	**2009–2010 Actual Spending**	3.4
Expected Results		**Performance Indicators and Target**	**Performance Status and Summary**
Establishing the agency, and developing capacity around policy, advocacy and co-ordination and internal services program functions		A program activity architecture for CanNor approved by Treasury Board	**Met all:** Established CanNor presence in all three territorial capitals and Ottawa, delivered all CanNor programs, and established business processes and structures for the new Agency, including an approved PAA.

CANADIAN POLAR COMMISSION

INCREASED CANADIAN POLAR KNOWLEDGE STRATEGIC OUTCOME

2009–2010 Financial Resources ($ millions)			2009–2010 Human Resources (full-time equivalents)		
Planned Spending	Total Authorities	Actual Spending	Planned	Actual	Difference
1.0	1.0	1.0	5	5	0

The Commission's strategic outcome is increased Canadian polar knowledge, which aims to help Canada acquire the wide range of information needed for effective policy and research program development in the polar regions, and to maintain Canada's position as a leading polar nation. The Commission ensures that adequate polar science infrastructure and logistics are available to Canadian researchers and that all stakeholders participate in developing a polar science policy to support and co-ordinate Canadian polar research. The Canadian polar research community is diverse and dispersed, with small research institutes supporting a broad range of research activities. The Commission co-ordinates research activities to increase efficiency and generate greater exchange of information.

Benefits to Canadians

By acquiring the wide range of information needed to develop effective policy and research programs in the polar regions, Canada can maintain its position as a leading polar nation. The technological advances that result will create a host of economic and development opportunities for Canadians. Moreover, better international collaboration and co-operation in polar research programs and initiatives will lead to a better understanding of polar issues and a cleaner, healthier environment.

Lessons Learned

The work of the Commission is determined by the priorities established from year to year by the Board of Directors. Because these can change, the Commission has learned that its work is better suited to qualitative, rather than quantitative, methods in performance measurement.

The delay in reappointments or new appointments to the Board after all members reached the ends of their terms midway through 2008–2009 considerably hampered the Commission's work.

PROGRAM ACTIVITY: RESEARCH FACILITATION AND COMMUNICATION

Expected Results	Performance Indicators	Targets	Performance Status	Performance Summary
Growing awareness and understanding among Canadians of the polar regions, and timely northern issues such as sustainable development, and climate change	Increased public knowledge of polar science and related issues Improved understanding of polar climate change scenarios and the development of polar research	Four publications A commissioned website and an up-to-date Canadian Polar Information Network	Met all	Produced two issues each of the northern science publication *Meridian* and the *Newsletter of the Canadian Antarctic Research Network* Updated the website, including the Canadian Polar Information Network
Co-operation among all stakeholders on issues of infrastructure, logistics and science policy	Better co-ordination within the research community, improved infrastructure, monitoring, and ability to attract the next generation of polar scientists	Fully researched and published report on the costs of renewed Arctic and subarctic research infrastructure	Met all	Produced a report on costs of a network of northern research infrastructure through consultation with the operators and managers of Canada's Arctic and subarctic research facilities
Canada acquires the wide range of information needed to develop effective policy and research programs in the polar regions, and maintain its position as a leading polar nation	Development of a polar science policy Co-operation with polar research nations and level of Canadian influence over international polar science	A polar science policy developed by 2012 An increased level of Canadian influence Increased co-operation with polar research nations	N/A	Completed report on the costs of renewed Arctic and subarctic research infrastructure, essential to any future national polar science policy Continued raising Canadians' awareness of and participation in international research initiatives and projects Brought together scientists and research managers from Argentina and Canada to investigate potential research collaborations in Antarctica and the Canadian Arctic

Performance Analysis

The Commission worked toward ensuring that Canadians benefit from the legacy of International Polar Year (IPY) 2007–2008. This legacy includes a new generation of researchers attracted to polar studies, better public knowledge of polar issues, enhanced polar observation systems and research support facilities, and better scientific understanding of the Arctic and Antarctic. Another element of the Commission's IPY legacy — the report on costs of a network of northern research infrastructure — is now available for use in planning the infrastructure required by Canadian polar research over the next 25 years.

The Polar Commission's ongoing work with the Scientific Committee on Antarctic Research and the International Arctic Science Committee fostered international dialogue and collaboration, bringing new polar information to Canada, and communicating the Canadian research community's views to scientists in other countries.

SECTION III
SUPPLEMENTARY INFORMATION

FINANCIAL HIGHLIGHTS

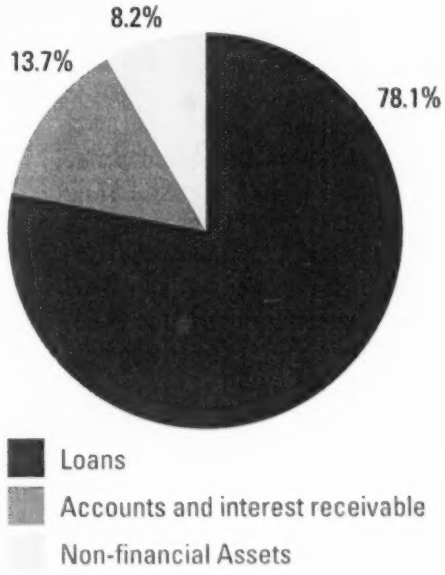
INAC

	% Variance	($ thousands) 2009–2010	2008–2009
At end of Year (March 31) — Condensed Statement of Financial Position			
Total Assets	2.6	955,949	931,432
Total Liabilities	14.0	16,857,141	14,781,462
Total Equity	-14.8	(15,901,192)	(13,850,030)
Total	2.6	955,949	931,432
For the Year (Ended March 31) — Condensed Statement of Operations			
Total Expenses	25.5	9,263,960	7,380,656
Total Revenues	-28.2	204,575	284,981
Net Cost of Operations	**27.7**	**9,059,385**	**7,095,675**

The difference between Planned Spending and Total Authorities primarily reflects incremental funding provided for out-of-court settlements, the operating budget carry-forward and compensation adjustments. The difference between Total Authorities and Actual Spending primarily reflects operating resources to be carried forward to 2010–2011.

Assets by Type

Total assets were $955.9 million at the end of 2009–2010, which came to an increase of $24.5 million (2.6 percent) over the previous year's total assets of $931.4 million. Loans made up 78.1 percent of total assets at $746.7 million. Accounts and interest receivable of $131.3 million represented 13.7 percent of total assets, while non-financial assets of $77.9 million represented approximately 8.2 percent of total assets.

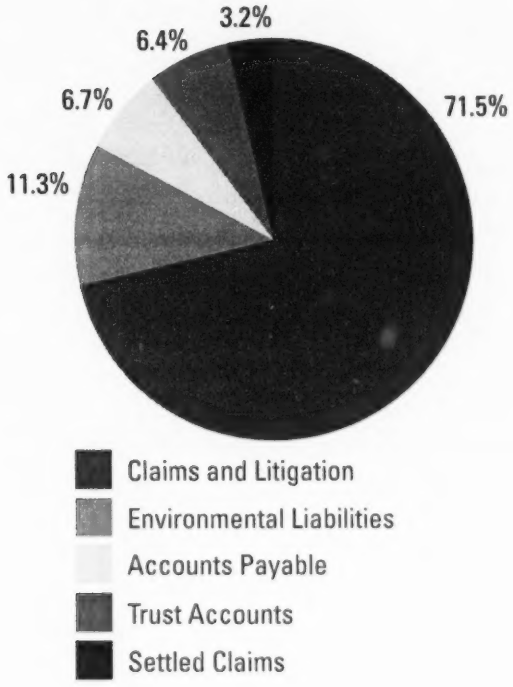


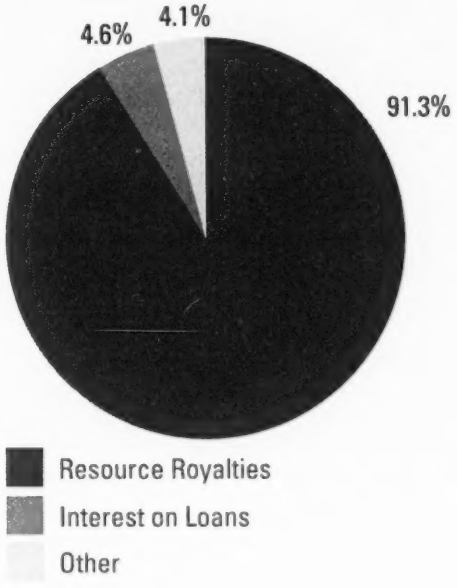
Liability by Type

Total liabilities were $16.9 billion at the end of 2009–2010, which came to an increase of $2.1 billion (14.0 percent) over the previous year's total liabilities of $14.8 billion. The allowance for claims and litigation represents the largest portion of liabilities at $12.1 billion or 71.5 percent of total liabilities. Other significant liabilities include environmental liabilities of $1.9 billion (11.3 percent), accounts payable of $1.1 billion (6.7 percent), trust accounts of $1.1 billion (6.4 percent), and settled claims in the amount of $538 million (3.2 percent).

Revenues

Total revenues amounted to $204.6 million for 2009–2010, representing a 28.2-percent decrease over the previous year's revenue of $285.0 million. Resource royalties, earned pursuant to contracts or regulations such as the *Northwest Territories and Nunavut Mining Regulations*, the Frontier Lands Petroleum Royalty Regulations and the Norman Wells Project profits represent the most significant source of revenue, accounting for $186.9 million or 91.3 percent of total revenues. Other sources of revenue include interest on loans in the amount of $9.4 million (4.6 percent).

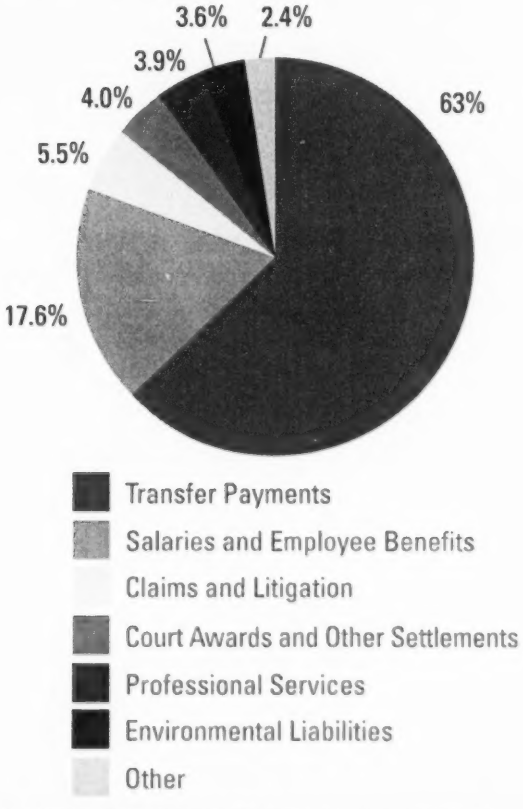




Expenses

Total expenses were $9.3 billion in 2009–2010, representing a 25.5-percent increase over the previous year's expenses of $7.4 billion. Transfer payments, the majority to Aboriginal people and Aboriginal organizations, amounted to $5.8 billion or 63.0 percent of total expenses. Other significant expenses include claims and litigation of $1.6 billion accounted 17.6 percent, salaries and employee benefits totalled $0.5 billion, accounting for 5.5 percent of total expenses, professional services of $0.4 billion accounted for 4.0 percent of total expenses, court awards and other settlements of $0.4 billion accounted for 3.9 percent and environmental liabilities of $0.3 billion accounted for 3.6 percent.

Financial statements can be found at: www.ainc-inac.gc.ca/ai/arp/pubs/fnst10/fnst10-eng.asp.



CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY

The Financial Highlights for the Canadian Northern Economic Development Agency can be found at: http://www.north.gc.ca/aa/smr10/smr10-eng.asp.

The financial statements for the Canadian Northern Economic Development Agency can be found at: http://www.north.gc.ca/aa/smr10/smr10-eng.asp.

LIST OF TABLES

The following tables are located on the Treasury Board Secretariat website at www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp:

- Sources of Respendable and Non-Respendable Revenue;
- User Fees/External Fees;
- Details on Transfer Payment Programs;
- Response to Parliamentary Committees and External Audits;
- Internal Audits;
- Evaluations; and
- Green Procurement.

Information on INAC's performance related to the following horizontal initiatives can be found on the Treasury Board Secretariat website at www.tbs-sct.gc.ca/dpr-rmr/2009-2010/index-eng.asp:

- Urban Aboriginal Strategy;
- First Nations Water and Wastewater Action Plan;
- Labrador Innu Comprehensive Healing Strategy;
- International Polar Year; and
- Indian Residential Schools Resolution Health Support Program.

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